

**Lawrence Berkeley National Laboratory  
Management and Operations  
FY 2007 Performance Evaluation and Measurement Plan  
Self-Assessment Report**

**Introduction**

The University of California (UC) is under contract to the Department of Energy (DOE) to manage Lawrence Berkeley National Laboratory (LBNL). Clause H.14 of Contract number DE-AC02-05CH11231 requires that UC “utilize a comprehensive approach for overall Laboratory management. The performance-based management approach will include the use of objective performance goals and indicators, agreed to in advance of each performance evaluation period, as standards against which the Contractor’s overall performance of the scientific and technical mission obligations under this contract will be assessed.”

The mechanism for evaluating the management-based approach is the Performance Evaluation of Measurement Plan (PEMP), which is organized by Goals, Objectives, Measures, and Targets. The performance-based approach focuses on LBNL’s performance against these Goals. The DOE Office of Science (DOE/SC) mandates that each SC Lab, including LBNL, establish the same eight goals in the PEMP. The eight goals are:

1. Provide for Efficient and Effective Mission Accomplishment
2. Provide for Efficient and Effective Design, Fabrication, Construction and Operations of Research Facilities
3. Provide Effective and Efficient Science and Technology Program Management
4. Provide Sound and Competent Leadership and Stewardship of the Laboratory
5. Sustain Excellence and Enhance Effectiveness of Integrated Safety, Health and Environmental Protection
6. Deliver Efficient, Effective, and Responsive Business Systems and Resources that Enable the Successful Achievement of the Laboratory Mission(s)
7. Sustain excellence in Operating, Maintaining, and Renewing the Facility and infrastructure Portfolio to Meet Laboratory Needs
8. Sustain and Enhance the Effectiveness of Integrated Safeguards and Security Management (ISSM) and the Emergency Management System

DOE/SC also requires each SC Lab to use the same Objectives to measure progress against the performance Goals. For the Management and Operations Goals, UC, DOE, and LBNL functional managers establish performance Measures and Targets to measure successful fulfillment of the Objectives.

This document reports LBNL's success in achieving the five Management and Operations Goals (Goals 4 through 8) and Objectives by describing performance against the Measures and the established Targets. The report also incorporates performance outside of the specific Measures and Targets, including identifying key achievements and opportunities for improvement.

**Executive Summary**

LBNL exceeded all of the performance Goals and Objectives established in the PEMP. Four of the five Management and Operations Goals performed in the A range of the DOE letter grade/ numeric score scale established in the PEMP. The lone exception, Integrated Safety, Health and Environmental Protection (Section 5.0), achieved a B+ grade. The Lab's overall score is a 3.9, an A.

**FY 2007 LBNL Management and Operations Evaluation Score Calculation**

<b>M&amp;O Performance Goal</b>	<b>Letter Grade</b>	<b>Numeric Score</b>	<b>Weight</b>	<b>Weighted Score</b>	<b>Total Score</b>
4 Leadership and Stewardship of the Laboratory	A+	4.1	25%	1.03	
5 Integrated Safety, Health and Environment Protection	B+	3.4	22%	0.75	
6 Business Systems	A+	4.1	25%	1.03	
7 Operating, Maintaining and renewing Facility and Infrastructure Portfolio	A-	3.7	20%	0.74	
8 Integrated Safeguards and Security Management and Emergency Management System	A+	4.1	8%	0.33	
<b>Total Management &amp; Operations Score</b>					<b>3.9</b>

LBNL had many notable achievements in Laboratory Management and Operations during fiscal year 2007 (FY07). Concerted effort and collaboration across all of the Lab's Management and Operations organizations has resulted in a high level of performance and meeting short and long-term objectives. However, several opportunities for

improving performance are also noted. Specific noteworthy achievements and opportunities for improvement follow.

For Goal 4.0, LBNL achieved a numerical score of 4.1, an equivalent of an A+. Goal 4.0 has three objectives with a total of 13 measures. Noteworthy is Director Steven Chu's outstanding progress in advancing the Laboratory's agenda to strengthen the Lab as a world-leading scientific institution, achieving meritorious success implementing the vision for sustainable energy research and an unprecedented program of research facilities and infrastructure improvements. The Laboratory is expanding institutional connections and partnerships in many ways, but most notably at the Molecular Foundry and with the SuperNova/ Acceleration Probe activities, the neutrino detector project at Daya Bay in China, the Deep Underground Science and Engineering Laboratory, the Joint BioEnergy Institute, the Solar Energy Research Center and the Energy Biosciences Institute.

LBNL achieved a numerical score of 3.4 for Goal 5.0, an equivalent of a B+ score. The Goal 5.0 has three objectives with a total of ten measures. A major FY07 initiative was the development of a comprehensive Integrated Safety Management System Corrective Action Plan (ISMS CAP). In an ongoing effort to improve implementation of ISM, this plan included corrective actions identified through two external reviews that LBNL commissioned. In response to increasing illness and injury case rates, LBNL formulated an aggressive program to reduce the number and severity of injuries – specifically ergonomics injuries, which represented approximately 67% of injuries in FY07. We are improving our ability to identify employees with high risk factors before an injury occurs through the introduction of a web-based employee ergonomic self-assessments and training program, augmenting the staff of certified ergonomists, initiating an ergonomic advocate program to provide increased resources at the division level, and enhancing communications and awareness of safety to encourage employees to report injuries earlier. Related to this effort, in March 2007 the Lab won the prestigious 2007 Ergo Cup with an innovative “Shake ‘N Plate” instrument, a device designed to alleviate upper body fatigue associated with bacterial culture plating. Finally, the Lab recently completed 24 months of construction work (more than 335,000 work hours) with only one recordable injury. This is a significant achievement that is far better than the national average.

For Goal 6.0, LBNL's performance score is 4.1, an equivalent of an A+. Goal 6.0 has five objectives with a total of ten measures. Highlights include the Office of the Chief Financial Officer supply chain initiative, which added four major commodities in FY 2007 – industrial supplies, computer peripherals, electronic supplies, and desktop computers. The fiscal year saw 18,506 transactions with strategic sourcing vendors contributing to in excess of \$7M in overall cost savings towards the ultimate \$30M commitment. IT buttressed the roll-out and expansion of the eBuy facet of the supply chain initiative, and also supported improvements to the sunflower asset management system and a major upgrade to the Human Resources Information System. LBNL participated in the UC Office of the President's pilot for Human Resources Accreditation, achieving full certification in three standards. Finally, LBNL reported 100% of invention disclosures to DOE within 60 days and obtained more than \$3.2 million of income.

LBNL performed at the A- grade for Goal 7.0, a numerical score of 3.7. Goal 7.0 has two objectives with a total of five associated measures. For FY07, the Lab exceeded both maintenance expenditure and deferred maintenance goals. Related to this, LBNL has drafted our first Comprehensive Maintenance Plan. Noteworthy design and construction accomplishments include the Molecular Foundry receiving “Gold” level LEED certification, completing the Animal Care Facility on budget and schedule, and receiving combined CD/1/2/3 Approval for the Advanced Light Source User Support Building. The combined CD approval is the first ever for DOE-SC.

For Goal 8.0, LBNL achieved a numerical score of 4.1, an equivalent overall grade of A+. The Goal has four objectives (three of which apply to LBNL) with a total of eleven measures. Substantial improvements were made to the LBNL Emergency Management System in FY07, as the Lab’s fire alarm backbone (9 nodes) for the fire alarm monitoring network was completed and the communications link was established with the monitoring station at LLNL. Excellence of the Lab’s Cyber Security Program was recognized in the granting of new three year Authority To Operate (ATO) for LBNL’s IT enclaves. Finally, LBNL’s safeguards program was reviewed by a recognized expert in the management of nuclear material safeguard and security programs. The program was found to be in full compliance and no findings were identified.

The Lab also identified a few key areas in which we can improve performance in FY08. LBNL failed to meet its TRC and DART targets in FY 2007, with a major contributor being ergonomic injuries. As noted earlier, LBNL is taking aggressive steps to improve prevention of ergonomic injuries. Opportunities for improvement have been identified in the procurement through invoice payment cycle that affects invoice processing, cycle times and recognition of liabilities. A formal project will address increasing efficiencies in cycle times and reducing the cost of processing invoices at LBNL. The Facilities Division is developing a process that will facilitate better coordination, both within Facilities and with client divisions, of all Small Projects. Finally, the Lab is striving for a smoother transition between financial years in developing and scheduling routine and deferred maintenance projects in hopes of reducing or relieving the traditional year-end project rush.

In FY08, LBNL will work earnestly to continue the positive performance in Laboratory Management and Operations, expanding on the successes already achieved and implementing current and future opportunities for improvement.





**Goal 4.0:** *Provide Sound and Competent Leadership and Stewardship of the Laboratory*

*The Contractor's Leadership provides effective and efficient direction in strategic planning to meet the mission of the overall Laboratory; is accountable and responsive to specific issues and needs as required; and contractor office leadership provides appropriate levels of resources and support for the overall success of the Laboratory.*

**Executive Summary**

For Goal 4.0, LBNL achieved a numerical score of 4.1, an equivalent of an A+. Goal 4.0 has three objectives with a total of 13 measures.

During FY 2007 Director Steven Chu made outstanding progress in advancing the Laboratory's agenda to strengthen Berkeley Lab as a world-leading scientific institution, achieving meritorious success implementing the vision for sustainable energy research and an unprecedented program of research facilities and infrastructure improvements. Director Chu engaged in discussions with Secretary of Energy Samuel Bodman, Office of Science (SC) Director Ray Orbach, and Berkeley Site Office (BSO) Manager Aundra Richards to address key research directions and operations priorities. Director Chu and his Laboratory management team, with University of California Office of the President (UCOP) and Divisional leadership, successfully delivered on securing the funding to achieve research planning goals on renewable energy initiatives, making great progress on the vision for the future. Director Chu participated in national and international science leadership activities on technical competitiveness and sustainable energy research and technology. Director Chu and his senior leadership team (Deputy Director Fleming and Associate Laboratory Director/Chief Operating Officer McGraw) meet with BSO Manager Richards on a regular basis to address management and organizational developments and current issues, and initiate follow-up actions. Dr. Chu regularly engaged UC Office of the President leadership and campus chancellors to strengthen university support and collaborations with Berkeley Lab.

A significant demonstration of University support and commitment is the successful implementation of the 26 UC contract proposal management initiatives and improvements that were developed to improve the infrastructure, science, and overall operations of the Laboratory. The Regents of the University have provided an extensive program of funding infrastructure, including the Guest House, Computational Research and Theory Building, and Helios renewable energy research facility. With UCOP, LBNL has fully implemented 22 of the management initiatives and, as appropriate, institutionalized them into ongoing Laboratory operations. The four remaining initiatives are meeting the projected implementation schedule but require additional time before they are fully integrated and all benefits are realized.

The second and third UC LBNL Advisory Board meetings took place in FY 2007. The Board appreciated the intensive programs provided on scientific directions, infrastructure strategy and operations, and expressed its support for the strategic directions addressed. The Board provided specific recommendations to assure the success of these efforts, including appropriate development of project management, support for the Laboratory's user communities, and emphasis on strong safety programs.

The Office of the President also provided guidance, training, and management tools of great value to the Laboratory. This support included the University's Senior Leadership Institute, UC Business Officer's Institute, assistance with labor relations and compensation programs. The University/Berkeley Lab Contract Assurance Council met monthly during FY 2007 to advise UC and Laboratory management of issues needing management attention. The Office of Institutional Assurance, through the Risk Registry and regular communications, kept the Assurance Council well informed of contract implementation. The institutional Lessons Learned and Best Practices database became fully functional in FY 2007 and is being utilized for ES&H and Financial Management lessons learned. The database is a "one-stop-shop" for Lab-wide Lessons Learned and Best Practices where users can initiate and post briefings as well as search for and review existing ones. It is expected that use of the program and enhanced database will help the Lab improve its processes.

During 2007 Laboratory developed a Project Management Plan for implementation of a fully developed and integrated ISMS Corrective Action Plan. This Plan establishes a disciplined approach to assure implementation of the major activities on timely basis. Performance on the ISMS CAP exceeded expectations in FY07 with 40 major activities completed compared to the goal of 37. Seismic safety was the core of the Laboratory's FY 2007 infrastructure planning and improvement efforts. Phase one improvements successfully received mission need approval for these safety-focused projects that were developed in close consultation with DOE BSO and HQ.

Director Chu appointed new leadership for the Earth Sciences Division (Director Don DePaolo) and the Facilities Division (Jennifer Ridgeway). Deputy Director Fleming continued science planning with the leadership of other laboratories to address Grand Challenges in Basic Energy Science. Fleming presented the Grand Challenges Report during the July 31-August 1 2007 Basic Energy Sciences Advisory Board Meeting.

#### Noteworthy Practices

Berkeley Lab leadership participated in noteworthy leadership in national and international science and technology planning. Laboratory Director Chu met with President Bush and Secretary Bodman to advance Federal sustainability efforts in areas of biofuels and transportation efficiency. Director Chu also addressed strategic directions with SC leadership, with an emphasis on the nation's long-term energy future and the future of the physical sciences. Director Chu continued his involvement with national and international energy research and development leaders in bringing attention to the world's energy problem, climate change, and the Department of Energy's role in helping to address those problems. To that end, he hosted a committee meeting of the International InterAcademy Council panel, of which he is a co-chair, on "Transitioning to Sustainable Energy."

The Laboratory also expanded institutional connections and partnerships in 2007 at the at the Molecular Foundry (with universities and industry) and in the Physics and Nuclear Sciences Divisions (with the SuperNova/ Acceleration Probe activities, with the Daya Bay in China, and at the Deep Underground Science and Engineering Laboratory (DUSEL, in South Dakota). In July, the National Science Foundation announced that the

LBNL proposal to lead Homestake Mine Collaboration for DUSEL was successful. In September, the National Research Council's Beyond Einstein Program Assessment Committee recommended that the Joint Dark Energy Mission (JDEM), be the first of NASA's Beyond Einstein cosmology missions to be developed and launched. The Laboratory is working closely with its collaborators to be the competitive team among the 3 proposed JDEM projects identified.

In support of Secretary Bodman's Transformational Energy Action Management (TEAM) Initiative), Laboratory Director Chu appointed Jim Krupnick, Director of Institutional Assurance, as the Laboratory Energy Champion. The Champion moved ahead with his responsibilities, and began the process of selecting an Energy Savings Contractor (ESCO), and in September received from them an Initial Proposal for a proposed ESCO project for and FY 2008 project

LBNL's Center for Science and Engineering Education developed a new and novel two week Physics in and Through Cosmology workshop for high school physics teachers and local high school students. The workshop offered frontier lectures by leading Berkeley Lab scientists, opening with 2006 Physics Nobel laureate George Smoot. Teachers worked collaboratively with small groups of student as they were introduced to new classroom lessons and activities.

The Office of Institutional Assurance (OIA) has compiled a comprehensive inventory of existing operations assurance systems and has developed a procedure for performing a gap analysis. The gap analysis reviewed current Operations functions and, through an assessment of Operations goals and risks, identified opportunities for improving associated assurance mechanisms. The procedure includes a methodology for determining risk level that is based on industry and audit organization standards.

#### Opportunities for Improvement

LBNL failed to meet its TRC and DART targets in FY 2007, with a major contributor being ergonomic injuries. LBNL is taking steps for very substantial improvements through aggressive efforts to prevent ergonomic injuries. An Ergo Advocates program has been initiated and the Laboratory has trained over 35 Ergo Advocates and implemented the Ergo advocates program. The UC Office of the President contracted with Remedy Interactive to provide online computer ergonomic support campuses at no additional cost. The Lab also continued to push early intervention as a key element in prevention through aggressive response to first aids, establishing a new office furniture standard, and continued education.

The Assurance Gap Analysis, a noteworthy practice, identified opportunities for enhancing assurance mechanisms in several operations units. Opportunities for burnishing existing assurance systems exist in ES&H, Financial Management, Facilities, and Security activities. For example, an assurance gap identified in the Office of the Chief Financial Officer activities is the timely detection and notification of issues and information from Lab divisions to the OCFO. Examples of Facilities assurance gaps include better assurance that all stakeholders are included in project design and that communication among stakeholders is maintained as projects progress.

To advance a new collaboration in energy biosciences research, the laboratory worked with DOE to address intellectual property and conflict of interest issues. Communications during the process could have been improved for less protracted and more timely resolution. The Laboratory is taking steps to work issues in advance with collaborators and the UC Office of the President so that communications with DOE can be more efficient and effective. These approaches will be discussed at a future Contract Assurance Council meeting.

**Goal Score**

<b>ELEMENT</b>	<b>Letter Grade</b>	<b>Numerical Score</b>	<b>Objective Weight</b>	<b>Weighted Score</b>	<b>Total Points</b>
<b>4 Effectiveness and Efficiency of Contractor Leadership and Stewardship</b>					
4.1 Provide a Distinctive Vision for the Laboratory and an Effective Plan for Accomplishment of the Vision to Include Strong Partnerships Required to Carry Out those Plans	A+	4.2	40%	1.68	
4.2 Provide for Responsive and Accountable Leadership throughout the Organization	A	4.0	30%	1.2	
4.3 Provide Efficient and Effective Corporate Office Support as Appropriate	A+	4.2	30%	1.25	
<b>Performance Goal 4 Total</b>					<b>4.1</b>

**Performance Evaluation**

**Performance Objective 4.1:** Provide a Distinctive Vision for the Laboratory and Effective Plans for Accomplishment of the Vision to Include Strong Partnerships Required to Carry Out those Plans

Objective 4.1 has five measures and the grade is A+ (4.2).

<b>Measure</b>	<b>Grade</b>	<b>Numerical Score</b>	<b>Avg. Numerical Score for Objective 4.1</b>
4.1.1	A+	4.3	
4.1.2	A+	4.3	
4.1.3	A+	4.2	

4.1.4	A+	4.1	
4.1.5	A+	4.1	
<b>Performance Objective 4.1 Total</b>			4.2

Note: All measures equally weighted

**Performance Measure 4.1.1:** The Laboratory Business Plan or Institutional Plan provides all required data in a clear and concise manner and is completed within established guidelines and schedules. The Laboratory Mission included in the plan provides a clear understanding of the distinctive characteristics of the Laboratory.

**Target:** The Business Plan or updated Institutional Plan will be a quality document consistent with DOE schedule and guidance. Should DOE elect to not issue guidance, the Laboratory will prepare an Integrated Strategic Plan that addresses scientific and operational goals and strategies.

**Performance:** Grade is A+ (4.3).

Berkeley Lab completed the 2007-2011 Business Plan in January 2007 consistent with DOE’s December 2006 guidance to fully address the Target. The Business Plan defined Berkeley Lab’s areas of mission focus and vision, and further consolidated its core competencies, and updated the initiatives and finance and risk management sections. The updated Business Plan is consistent with and supports the outcome of the Berkeley Lab Strategic Planning Meeting held in late October 2006. The initiatives, including scientific directions, infrastructure, and operations have been communicated to BSO and SC leadership through meetings of Director Chu, Deputy Director Fleming, Chief Operating Officer McGraw, and others. The Plan is posted at SC’s Website for public access at:  
[www.er.doe.gov/National\\_Laboratories/DOE\\_Laboratory\\_Plans/DOE%20Lab%20Plans%20Final.pdf](http://www.er.doe.gov/National_Laboratories/DOE_Laboratory_Plans/DOE%20Lab%20Plans%20Final.pdf)

The Laboratory also comprehensively updated the Laboratory mission information for the FY revised 2009-2018 Ten Year Site Plan. This included the scientific missions and program directions that provide a clear understanding of the distinctive characteristics of the Laboratory. As in 2006, the Current and Future Mission section includes tables that specifically track each DOE program area with a summary description of the current research, research trends and new directions, and the resultant facilities needs. LBNL participated with other national laboratory planners in Office of Science Laboratory Policy discussions on guidelines for planning in the FY 2008 planning cycle.

Throughout the fiscal year, Laboratory leadership continued discussions of strategies and actions with BSO, DOE HQ, and UCOP leaders. Areas of focus included implementation of new programs, scientific initiatives, safety performance, and infrastructure modernization. Ergonomic safety emphasized supervisor-staff dialog, inspections, and reporting. Institutional stewardship focused on developing and

refining plans and supporting materials on the infrastructure modernization and seismic safety improvements proposals with DOE in preparation for FY 2009 Science Laboratory Infrastructure implementation currently planned for a total of \$98M over five years, starting in 2009. The modernization strategy focuses on seismic safety replacements and improvements and also includes a greatly expanded Internal General Plant Projects program. The Laboratory received CD-0 approval of Phase 2 of the Science Laboratory Infrastructure (SLI) project.

In support of Secretary Bodman's Transformational Energy Action Management (TEAM) Initiative (the Department-wide effort aimed at reducing energy intensity across the nationwide DOE complex by 30 percent), Laboratory Director Chu appointed Jim Krupnick, Director of Institutional Assurance, as the Laboratory Energy Champion. The Champion has the responsibility to oversee investigation of the Energy Savings Performance Contracting method and its applicability for use at LBNL. The Laboratory began the process by selecting an Energy Savings Contractor (ESCO) and in September, received from them an Initial Proposal for a proposed ESCO project. Evaluation of the proposal will proceed in early FY08. In late FY 2007, the Laboratory was informed that the Molecular Foundry had received U.S. Green Buildings Council Leadership in Energy and Environmental Design (LEED) gold certification. The gold rating, the second-highest ranking obtainable, is based on high scores in energy and the atmosphere, water efficiency, indoor environment quality, and design innovation.

Beyond the target, Laboratory Director Chu met with President Bush and Secretary Bodman to advance Federal sustainability efforts in areas of biofuels and transportation efficiency. Director Chu also addressed strategic directions with SC leadership, with an emphasis on the nation's long-term energy future and the future of the physical sciences. He also addressed these needs with UCOP leaders and global scientific needs members of the international scientific community. Laboratory leadership was instrumental in successfully securing the Energy Biosciences Institute (EBI), the Joint BioEnergy Institute (JBEI), and the Office of Basic Energy Sciences Solar Energy Research Center (SERC). Director Chu continued his active involvement with international energy research and development leaders, including hosting a committee meeting of the International InterAcademy Council panel on "Transitioning to Sustainable Energy" which he serves as Co-Chair. Deputy Director Fleming continued science planning with the leadership of other laboratories to address Grand Challenges in Basic Energy Science. Fleming presented the Grand Challenges Report during the July 31-August 1 2007 Basic Energy Sciences Advisory Board Meeting.

**Performance Measure 4.1.2** Strategic partnerships are developed that demonstrate the Laboratory's leadership, leverage DOE resources, and support collaborative programs with other DOE laboratories and academic, and industry groups.

**Target:** Continue to demonstrate growth and progress in the development of quality research partnerships and collaborations, for example at the Molecular Foundry and for progress on a Dark Energy mission.

**Performance:** Grade is A+ (4.3).

The Molecular Foundry dedicates a significant portion of its activities and capabilities to building and disseminating knowledge about nanoscience and technology to users with a wide variety of needs. The Foundry has also established strategic partnerships with other National Labs and companies, e.g., Intel and Lawrence Livermore National Laboratory (LLNL). In these partnerships, the Foundry and partner institutions develop a broad collaboration over a number of areas, for an extensive period of time. The Foundry continued to hire new staff in FY 2007. A successful DOE program review of the Molecular Foundry was hosted at the end of the second quarter. The Foundry has completed its transition period and is under full operation for the user community with 49 staff). Under full operation, the Foundry has received more than 130 proposals and over 80 have been approved.

The LBNL-led collaboration Supernova Acceleration Probe (SNAP) directed toward a Joint Dark Energy Mission (JDEM) had a meeting of all partners in January 2007. The meeting brought together more than 130 participants from university groups, our laboratory partners, SLAC and Fermilab, our strategic NASA partners—the Goddard Space Flight Center and the Jet Propulsion Laboratory—and key industry partners. The project continues to work with a variety of industry partners including Dalsa Semiconductor, Rockwell, Raytheon, Ball Aerospace, ITT/Kodak, and Lockheed. The meeting focused on the technical progress made during the past year and developed plans for future activities. Presentations by laboratory, university and industry partners were a major part of the program. SNAP leadership has continued to interact with the National Research Council's Beyond Einstein Program Assessment Committee. Members of the SNAP collaboration have addressed each of the “town-hall” meetings hosted by the panel in cities around the country. These presentations have helped illustrate the widespread effort on SNAP and the considerable technical progress being made by the collaboration. On September 5, 2007 the Committee recommended that the Joint Dark Energy Mission (JDEM), jointly supported by the National Aeronautics and Space Administration and the Department of Energy, be the first of NASA's Beyond Einstein cosmology missions to be developed and launched. This important recommendation reflects the quality and progress of this scientific collaboration.

Beyond the target, LBNL collaborated with many institutions to advance low-carbon energy research. With UC Berkeley and four other universities to submit a Basic Energy Sciences proposal on solar based fuels (a proposal for a multiyear program in solar to chemical energy generation and storage). LBNL conducted an informational program for state and federal leaders and created an Advisory Committee with a statewide representation on faculty and scientists. During the 3<sup>rd</sup> Quarter, DOE announced that LBNL and its collaborators successfully competed for this award,

with an initial allocation of \$1M for the remainder of FY 2007 and approximately \$9M for FY 2008. LBNL worked with LLNL, Sandia National Laboratories (SNL), Stanford University, UC Berkeley and other organizations to develop a Joint BioEnergy Institute (JBEI). A Letter of Intent was submitted to the Office of Biological and Environmental Research in December and a complete proposal was submitted at the end of January 2007 (\$125M over 5 years). On June 26, 2007 Secretary of Energy Bodman announced that the LBNL lead strategic partnership was one of the three successful biofuels collaborations that were to be supported. At their September meeting, UC Regents approved the use of leased space in Emeryville to house the JBEI collaborative program.

In a biofuels collaboration led by UC Berkeley and in close partnership with the University of Illinois, LBNL scientists successfully competed among an international field for Energy Biosciences Institute (EBI) to be funded by BP. The EBI award was announced in February, with a solicitation for specific projects from scientists at the participating institution underway in FY 2007 for projects initiation in FY 2008. The Office of the President was instrumental in providing transitional space and a permanent Helios building for the EBI program (see section 4.3.3).

Finally, the National Science Foundation announced in July that the LBNL proposal to lead the Homestake Mine Collaboration for DUSEL was successful.

**Performance Measure 4.1.3:** Effectiveness of the Work-for-Others (WFO) planning, management, and reporting system that serves the needs of both LBNL and DOE, and facilitates the project approval process.

**Target:** Based on the Work for Others Program Plan, demonstrate continued progress in implementing and improving the WFO information system and reporting protocol for the management and oversight of the WFO portfolio.

**Performance:** Grade is A+ (4.2).

The programming and testing for on-line BSO approval of WFO proposals was completed and training was provided to BSO. Practical implementation and accessibility issues, specific to the BSO WFO analyst, were resolved in early second quarter and the system went live in mid January 2007. The automated system now allows the BSO WFO analyst to see which proposals need DOE's approval. It also shows which proposals need DOE approval for the waiver of FAC. When approved, an email is generated which is sent to the SPO contacts officer responsible for that action.

This year formal training for Principal Investigators and administrative staff on the use of Grants.gov was implemented. NIH transitioned its major grant program (RO1) to electronic submissions through Grants.gov. This caused a change in the Laboratory's business practices for proposal submission. To prepare for this change, the Sponsored Projects Office (SPO) conducted sessions on how to use Grants.gov

and NIH eRA Commons. These sessions were announced with flyers and in Today at Berkeley Lab (TABL). Over 100 people attended and were provided with training materials. The Laboratory successfully met NIH implementation deadlines with all proposals being accepted by Grants.gov and NIH on time.

There is significant effort put into executing user agreements for the Molecular Foundry when UC campuses are collaborating with LBNL. SPO and BSO began working on a Master Agreement that would be signed by UCOP to cover all campus work (rather than many individual campus agreements). SPO provided BSO with a draft agreement for review and the final agreement was subsequently signed and is now operative. This global UC agreement replaces individual agreements for each project for each campus, improving administrative and operational efficiency.

In October 2006, the SPO manager sent a letter to the Director, California Department of General Services (DGS) on behalf of LBNL, LLNL and SNL. The purpose was to make contact with the agency designated to implement SB1629, which was enacted to ease the difficulties in contracting between the State and DOE labs. SPO has kept the BSO WFO attorney, who is a part of the team working on the contracting mechanisms, abreast of these developments. In August LBNL received a pro forma contract from DGS and it was shared with LLNL, SNL and BSO, which resulted in discussions for the analysis of the document. There are initial issues with the payment and indemnity clauses, and LBNL, working with BSO, LLNL and SNL plans to provide consolidated comments to DGS by early FY 2008.

In March, BSO and SPO participated in an ORNL-sponsored web cast of the ORNL automated WFO system. The system allows for on-line DOE approvals and work flow reviews. BSO and SPO did not see a reason to utilize this system since the business models at ORNL and ORO are much different than those at LBNL and BSO. However, there is renewed interest (with the addition of the new LBNL CIO) in a LBNL Research Administration system. We visited UCB during the 3<sup>rd</sup> quarter and looked at their COEUS system, which is used by many Universities. LBNL decided that COEUS would not be a viable system to import for our use. In addition, we saw a commercial system, CAYUSE, and although UCOP is considering this for many of its campuses, we feel that it is too limited (mostly for NIH) to be the eSRA (electronic Sponsored Research Administration) desired for LBNL. We also met with two large WFO Divisions to get their input into a new system. The plan is to present the eSRA to management during the next quarter, for FY 08 funding consideration. Any new system will take BSO needs into consideration.

The Laboratory Business Plan was updated, including a summary of Work for Others trends in support of the Laboratory's areas of mission focus. The Business Plan indicated that currently non-DOE federally funded activities at LBNL are primarily supported by the National Institutes of Health (NIH), the Department of Defense (DoD), the Department of Homeland Security (DHS), and National Aeronautics and Space Administration (NASA). NIH will continue to be the largest non-DOE funding organization in FY 2007. Beyond these sponsors, the laboratory is expected to

continue to receive support for research from the California Energy Commission, the Environmental Protection Agency and other state agencies, universities, and the private sector.

One example of WFO special emphasis for the future is in the area of carbon-neutral transportation fuels, with potentially substantial funding from the University of California through a University-Industry consortium, the Energy Biosciences Institute (EBI). SPO and TTD have been working closely with UCOP and UCB on the contractual issues for the program. In September, DOE provided the waiver of Preference for US industry both for UC exclusive licenses of BP funded inventions to BP, and BP's own licensing of their own inventions. Communications during the process of resolving the contractual issues could have been improved for less protracted and more timely resolution. The waiver will enable the new biofuels research collaboration to improved supplies of liquid fuels from the U.S. as well as from other locations with abundant fuel feedstocks. These additional fuel supplies should improve DOE's goals of environmental sustainability and energy security.

**Performance Measure 4.1.4:** Laboratory Leadership strives to improve diversity of the Workforce and the quality of the working environment and requires Workforce Diversity Planning by all Divisions.

**Target:** Demonstrate work environment improvement planning, at a minimum, by continuing strong workforce diversity planning in each division; and by follow-up on the Workforce Climate Survey, implementing targeted recommendations for improvement to the work environment based on survey results; and developing a Laboratory strategic diversity plan complementing division plans consistent with Contract Appendix M.

**Performance:** Grade is A+ (4.1).

In the first quarter work began on follow-up to the Workforce Climate Survey. An article in Today at Berkeley Lab (TABL) titled "Workplace Employee Climate Survey Has Impressive Participation" can be found at <http://www.lbl.gov/today/2006/Dec/04-Mon/workplace-survey.html>. In the second quarter FY07 follow-up on the Workforce Climate Survey continued. As referenced in the first quarter report, employees were notified (through TABL and *The View*) about availability of survey data results. Statistical data on the climate survey results along with a more thorough analysis of findings and an article in Today at Berkeley Lab (TABL) dated 2/20/07 and titled "Workplace Survey Data Posted; Chu Sets Talks" are provided through the Best Practices Diversity Council web site at <http://www.lbl.gov/today/2007/Feb/20-Tue/2-20-07.html>. During March 2007, Director Chu held three brown bag lunch meetings to engage the staff further about issues raised in the survey. Plans continue on an action plan to improvement to the work environment based on targeted survey recommendations. This was communicated through another article published in *The View* on April 20, 2007 titled "Climate Survey Leads to Action at the Lab" at

<http://www.lbl.gov/Workplace/diversity/assets/docs/4-20-07-View-ClimateSurveyLeadsToAction.doc>.

During the FY07 fourth quarter, discussions were undertaken for a new strategic approach to FY08 diversity goals that more closely coordinate workforce diversity and human resources. This approach is reflected in proposed FY08 PEMP measures and targets. Further updates of division diversity plans will be addressed in FY08 as the new approach is defined and executed.

Diversity planning tools and resources, such as the Compendium of LBNL Diversity Practices and the LBNL/Divisional Workforce Diversity Demographics Database, were developed on-line over the past year in an effort to support divisional diversity plans and activities. Links for the Compendium of LBNL Diversity Practices are at: [https://www.lbl.gov/Workplace/WFD/assets/docs/Diversity\\_links\\_final.pdf](https://www.lbl.gov/Workplace/WFD/assets/docs/Diversity_links_final.pdf), and for LBNL/Divisional Workforce Diversity Demographics at <https://isswprod.lbl.gov/AAP/login.aspx>. In August 2007, The Office of Workforce Diversity sent the diversity planning tools and resources to the Human Resources Leadership Team (HRLT) as a means by which they could incorporate these resources in their divisional Workforce Diversity Planning activities

**Performance Measure 4.1.5:** Effectiveness in maintaining appropriate relations with the community to include providing for science education opportunities, outreach, and open and honest communications.

**Target:** Expand tools for outreach, including an enhanced Public Affairs website, in community relations and communications. As a special emphasis, proactively disseminate information in support of a rollout of the Lab's Long Range Development Plan (LRDP) through community meetings, publications, and web based information. Deliver on science education outreach activities that utilize the resources of Berkeley Lab to enhance and improve science teaching and learning in local school districts, as well as continued efforts to leverage and attract resources for science lessons in local schools.

**Performance:** Grade is A+ (4.1).

#### *Community Relations and Communications*

In early FY 2007, Berkeley Lab developed comprehensive Communications Plan for the Laboratory's forthcoming Long Range Development Plan (LRDP). As the central document guiding Lab growth over the next 20 years, it is critical that public constituencies know about the plan and have an opportunity to comment on it. As part of its outreach plan, the Public Affairs Department has prepared an LRDP website, <http://www.lbl.gov/LRDP/>. An article that outlines the LRDP process was published in the December issue of *Science on the Hill*, a community newsletter that is mailed to all Berkeley and Albany residents. Director Chu held brown bag and meetings on the plan and met with City of Berkeley mayor Tom Bates and with

community leaders. The communications plan provides for materials and information to accompany the release of the LRDP and EIR, including a public press release to the regional and national media. The draft 2006 LRDP and draft Environmental Impact Report (EIR) were issued in January. The LRDP and accompanying EIR has undergone public review process. Responses to comments were prepared in the 3rd Quarter and the Final EIR was issued early July was reviewed and approved by the Regents at their July 17, 2007 meeting. Five citizens initiated a complaint in August that the EIR was inadequate and to stop development under the 2006 LRDP from proceeding. The City of Berkeley was not a party to the suit. The Laboratory will respond in the appropriate legal forum in FY 2008. Also taking place nearing the end of the fiscal year, Director Chu gave a presentation in September on the scientific importance of the Helios and CRT projects to a Community Leaders' breakfast attended by representatives of local city government, and civic, environmental, labor, and business groups.

During FY 2007, Laboratory community and government relations officials and members of the scientific staff offered comment and advice on an amendment to the City's Municipal Code on Hazardous Materials to include an annual report on engineered nanoparticles from organizations conducting nanotechnology manufacture and research. As the amendment was being drafted, Lab officials assisted in the shaping of the policy. Berkeley Lab, which as a federal facility is not bound by city mandates, has agreed that it will voluntarily submit an annual report on the activities of the Molecular Foundry, including its methods for safe handling, and containing and disposing of research nanoparticles. During the process, the Laboratory educated the community about the international efforts to develop a regulatory framework on the health and safety of nanomaterials.

Several hundred members of the community participated in celebrations of Berkeley Lab's 75<sup>th</sup> anniversary. At an all-day symposium and gala dinner in November, past and present Lab leaders and guests, including Department of Energy Secretary Samuel Bodman, paid tribute to the Lab's impressive legacy. The *Contra Costa Times* newspaper followed up with a front-page story on the Lab's history and its "bold course" for the future.

During FY 2007 meetings were held by a new Laboratory-wide interdisciplinary task force to develop a new Berkeley Lab Communications Plan. The purpose of the Plan is to improve outreach communications to key constituencies, and enhance the effectiveness of internal communications for employees. Subgroups were tasked to explore specific audiences in terms of their communications needs and the tools required to meet those needs. Laboratory management undertook a review of the Task Force Communications Plan draft during the fourth quarter, and budget requests were made to implement several activities during FY08, including expansion of the "Science of the Hill" community newsletter's frequency and distribution. Readership surveys and comments at public events reflected strong community acceptance of this communications tool, which circulates to all Berkeley city residences. Thematic highlights of the plan include featuring Laboratory employees as communications

“ambassadors,” developing and using the “new media” to reach audiences (electronic methods such as podcasts, RSS feeds, etc), “branding” the Laboratory in order to further distinguish it from other institutions, leveraging partnerships like those with UC Berkeley to broaden communications impact, and benchmarking and assessment of programs and activities.

The Lab Web Site upgrade similarly experienced advancement, with the initial Physics Division “model” site going live. Work continued on the home page and linked sites, to emulate the Physics site for user friendliness and ease of navigation. Public Affairs (Communications and Creative Services) worked together in the fourth quarter to unify the Lab’s web sites for consistency of identity and message. Completed were designs for the Lab Home Page, plus “visitor information,” “About the Director,” “Services for Employees,” “About Berkeley Lab,” “Laboratory Directors,” Public Affairs, and A-Z Index, and the Telephone Directory. All will go live during the first quarter of FY08.

### *Education and Outreach*

In FY 2007, the Center for Science and Engineering Education (CSEE) conducted a wide range of education and outreach activities. Many undergraduate students participated in the DOE Science Undergraduate Laboratory Internship (SULI) program both for the full-time semester-long program in January and in the summer program. The summer undergraduate program began on June 11, with 63 students and four faculty. Most of the students and faculty are participating through the DOE SULI, Community College Initiative (CCI), and Faculty and Student Teams (FaST) programs. Students and faculty will be at the Lab in research positions for 10 weeks.

Two teacher programs, DOE ACTS (Academies Creating Teacher Scientists) and IISME (Industrial Initiative for Science and Mathematics Education), began in June. The twenty-five teachers will be at the Laboratory in research assignments for eight weeks. The teachers completed their lab research assignments on August 10. The High School Student Research Participation Program (HSSRP) also began late June. Thirty students will be at the Lab with research assignments for 6-1/2 weeks.

CSEE conducted the Department of Energy’s regional Science Bowl in January. Eight Bay Area high school teams competed in the Bowl, with the winner traveling to Washington, DC at the end of April for the national competition. In other activities in partnership with the NSF-sponsored Extreme Ultra Violet (EUV) education program, CSEE conducted an all-day workshop on light optics for teachers; and CSEE hosted the American Junior Academy participants—approximately 180 high school students and their chaperones—for an all day program of lectures and tours. A half-day tour for approximately 30 students from City College of San Francisco was conducted, with students visiting the Advanced Light Source and various small labs. Other Ad hoc efforts included: (a) coordinating with the Lawrence Hall of Science to provide judges for the Junior Science and Humanities Symposium; (b) providing support in the form of nanoscience brochures and robotics information to Girl Scouts’ “Girls Go

Tech” event. The event included 60 K-5<sup>th</sup> grade, and 120 6<sup>th</sup> – 10<sup>th</sup> grade girls.; (c) Careers in Science & Technology Science Night at Donlon Elementary school in Pleasanton; presentation and hands-on activity for 50 K-6 students. Also, there was excellent participation in the Laboratory’s annual Daughters and Sons to Work Day, involving 102 participants. CSEE also continued for the third year its program with the Berkeley Unified School District. The aim of this program is to visit every fifth grade classroom in BUSD twice, presenting two lessons. Lesson one includes hands-on activities covering electrical conductivity, magnetism, exploration of materials, and the use of the Periodic Table. Lesson two covers solids, liquids and gases and involves activities with burning candles and dry ice. Lab safety is also emphasized in this session. Twenty classroom visits were conducted in the second quarter; at approximately 25 students each, 500 students were served.

CSEE hosted tours for many fifth-grade classrooms of students. In these tours, classrooms of fifth-grade students came to Berkeley Lab for a four- to five-hour program of inquiry-based hands-on activities and Lab facility tours. CSEE also launched an after-school program, in partnership with the Oakland Unified School District, serving gifted and talented students. Also In coordination with the Bay Area Science Project (BASP) and the West Contra Costa Unified School District’s (WCCUSD) Math & Science Project, 30 teachers from WCCUSD were introduced to the CSEE 5th Grade Tour Program, including the conceptual basis as well as the availability of opportunities for their classrooms.

Over one thousand Periodic Tables have been given out at the California Science Teachers Association conference, at an Oakland Schools conference on textbooks and materials, and to teachers on request. CSEE also distributed to teachers an estimated 500 “Did You Ever Wonder” information sheets and 250 DOE Energy Posters. CSEE received a gift of \$150,000 from Stephen Bechtel for expanding efforts in science teaching and learning in Bay Area schools.

In the fourth quarter, CSEE delivered a two week Physics in and through Cosmology workshop for ten high school physics teachers and 26 local high school students. The workshop offered frontier lectures by leading Berkeley Lab scientists, opening with 2006 Physics Nobel Laureate, George Smoot. Teachers worked collaboratively with small groups of student as they were introduced to lesson and activities for the classroom. The workshop was presented by the Center for Science and Engineering Education, the Berkeley Center for Cosmological Physics and Quarknet, a national teacher professional development program run by Berkeley Lab’s Physics Division.

The High School Student Research Participation Program (HSSRP) which began on June 27 concluded with student talks on Friday, August 10. A total of thirty students participated. The Siemens Corporation contributed a gift so that two additional students could be placed. Berkeley Lab's CSEE and Environmental Energy Technologies Division contributed to a 5 week summer Physics through Building Science workshop for approximately 25 Oakland high school students at Laney College. The students were taught principles of refrigeration by Laney College

faculty and physics concepts, principles and theories through hands-on laboratories. Students received dual credit for this community college course and for high school science requirements.

Secretary of Energy Bodman recognized CSEE and the Laboratory education efforts through outstanding mentor awards to CSEE leadership and several participating scientist mentors. Recognition was also issued from the biotechnology education group Biolink, In addition, science education leaders in the Oakland Unified School District and the College of Engineering at UC Berkeley recognized CSEE staff for their contributions to the Partnership for Oakland Science Inquiry Teaching.

**Performance Objective 4.2:** Provide for Responsive and Accountable Leadership throughout the Organization

Objective 4.2 has five measures and the grade is A (4.0).

Measure	Grade	Numerical Score	Avg. Numerical Score for Objective 4.2
4.2.1	A	4.0	
4.2.2	A	4.0	
4.2.3	A+	4.1	
4.2.4	A	3.8	
4.2.5	A	4.0	
<b>Performance Objective 4.2 Total</b>			4.0

Note: All measures equally weighted

**Performance Measure 4.2.1** Level of Corporate and Institutional Leadership oversight and response to Laboratory issues and opportunities is commensurate with the level of significance or severity.

**Target:** UC’s LBNL Contract Assurance Council operates effectively with a regular schedule of meetings which allow for review of significant, self-identified issues or potential concerns that the Council and Laboratory management address collaboratively to provide assurance that the performance of work is accomplished in a manner that meets the terms and conditions of the contract. UC’s Vice President for Laboratory Management provides a timely and comprehensive annual assurance letter attesting to the adequacy and functionality of management controls for LBNL activities.

**Performance:** Grade is A (4.0).

The UC Contract Assurance Council, which was established in June 2005 and has met each month since, leverages expertise in the functional organizations of UCOP to support the effective and efficient operation of the Laboratory. The Council, chaired by Robert Foley (UCOP Vice President, Laboratory Management); and comprised of

senior officers from UCOP as well as two distinguished external members; advises LBNL on a broad range of assurance topics including safety performance, financial management reporting and controls, procurement and property management, emergency management, and construction project management.

During the first and second quarter, the Council advised LBNL management on the ISM Corrective Action Plan, LBNL Employee Survey, contract performance, and the Energy Biosciences Institute. Third quarter meetings included discussion on the Risk Registry, PEMP performance, the proposal initiatives, and the Annual Assurance letter. The Council provided counsel and specific suggestions on each of these topics. During the fourth quarter, the Council provided guidance on the EBMUD Water Tank, Supply Chain Initiative, broad human resources issues, and signature authority.

UCOP submitted the Annual Evaluation and Reporting of Management Control Systems to DOE in July. This annual assurance letter reported on LBNL's internal accounting and management controls, reportable problems, and corrective action plans. UCOP concluded in the letter that LBNL maintains adequate internal accounting and management controls to provide reasonable assurance that: activities are performed consistent with applicable laws; property, funds, and resources are safeguarded from waste, loss, unauthorized use or misappropriation; obligations and costs comply with applicable law; and revenues and expenditures are properly recorded and accounted for.

**Performance Measure 4.2.2:** Leadership maintains an effective assurance function with cognizance of robust feedback and improvement.

**Target:** LBNL's Institutional Assurance Office is staffed and operating effectively. A comprehensive inventory of existing operations assurance systems is developed and a gap analysis is performed to determine opportunities for improved assurance systems.

**Performance:** Grade is A (4.0).

The two offices of the Office of Institutional Assurance (OIA), the Project Management Office (PMO) and the Office of Contract Assurance (OCA), are fully staffed and operating effectively. PMO leads preparation for technical, scientific, and conventional construction project and program reviews; and led the effort that resulted in Earned Value Management System (EVMS) certification. OCA has developed and implemented Financial Management and ES&H assurance programs; developed a comprehensive Issues Management Program, which includes corrective action tracking and lessons learned; leads LBNL efforts in Contract 31 Performance Evaluation and Measurement Plan (PEMP) development; and monitors and analyzes the Lab's PEMP performance.

OIA has compiled a comprehensive inventory of existing operations assurance systems and has developed a procedure for performing a gap analysis. The gap

analysis reviewed current Operations functions and, through an assessment of Operations goals and risks, identified opportunities for improving associated assurance mechanisms. The procedure includes a methodology for determining risk level that is based on industry and audit organization standards.

OIA staff met with Operations managers to identify their program objectives and the risks to achieving these objectives. Gaps in assurance mechanisms have been identified in ES&H, Office of the Chief Financial Officer (OCFO), Facilities, and Security. In each of the areas mentioned below, limited forms of assurance are present, as are adequate internal controls. During FY08, OIA staff will work with appropriate functional managers to develop adequate assurance systems.

An ES&H assurance gap exists in assuring that appropriate work has environmental permits from external agencies to prevent a violation, spill, or release from non-permitted activities. Another noteworthy assurance gap is assuring that we are compliant with Americans with Disabilities Act requirements in processing disability claims and fulfilling workers' compensation obligations. Finally, LBNL needs more robust assurance that personnel exposures to chemical, physical, and biological agents are systematically assessed.

The most significant assurance gap identified in OCFO activities is timely detection and notification of issues and information from Lab divisions to the OCFO. For example, communication from principal investigators and division managers to the OCFO is inconsistent, which can result in untimely notification about significant transactions or events that affect financial reporting. A second significant assurance gap is the lack of a fully-developed, centralized, and automated Lab-wide budget system that integrates planning, guidance, commitments, and costs. This hampers the ability of field analysts to assure a strong funds control environment in their respective divisions.

A Facilities assurance gap exists in assuring that as-built drawings include all necessary details. Facilities Department also needs to better assure that all stakeholders are included in project design and that communication among stakeholders is maintained as projects progress. A final Facilities assurance gap is in assuring that space management and project planning are properly coordinated.

A gap in Security assurance mechanisms exists in assuring timely approval of research collaborators from highly sensitive foreign countries.

In addition to the Operations assurance gap analysis, OIA continues to develop the LBNL assurance program through other means. This program includes documented performance measures and formalized review processes in various disciplines. In an effort to strengthen feedback and improvement systems, OIA implemented an Issues Management Program to more effectively manage corrective actions and disseminate lessons learned and best practices. The assurance program manual, called the UC

Assurance Plan for LBNL, is approved by DOE as satisfying the requirements of DOE Order 226.1.

**Performance Measure 4.2.3:** Level of Corporate Leadership involvement in assessing best practices management approaches and systems utilized at the Laboratory to ensure they are comprehensive and sufficient to address risks attendant to Laboratory operations and strategic mission accomplishment.

**Target:** A cross-discipline lessons learned database is developed and implemented. The system will serve as a repository of lessons learned and send emails to subscribers when new lessons are entered.

**Performance:** Grade is A+ (4.1).

The institutional Lessons Learned and Best Practices database is fully functional and is being utilized for ES&H and Financial Management lessons learned. The database is a “one-stop-shop” for Lab-wide Lessons Learned and Best Practices where users can initiate and post briefings as well as search for and review existing ones. It is expected that use of the program and enhanced database will help the Lab improve its processes.

Briefings currently in the system include operating experiences identified from LBNL events or from external entities, such as other DOE facilities, that are communicated to the Lab community to heighten awareness in order to minimize the potential for an issue or event to recur. While the majority of the lessons and best practices are ES&H-related, lessons learned from the OMB A-123 process for financial reporting were also developed and disseminated through the system.

Following the first nine months of operation, OIA made several enhancements to the Lessons Learned and Best Practices database. These enhancements added functionality to the system and expanded the topic areas that are of interest not only to EH&S and Finance, but also Procurement, Human Resources, Property, Facilities and Project Management.

In addition to the database development, OIA has hired a manager to manage the LBNL Lessons Learned and Best Practices Program. OIA has developed a program manual to address the higher-tier requirements as well as the purpose and process to initiate, review and disseminate Lessons Learned and Best Practice Briefings. A User Manual that provides detailed guidance on creating value-added, quality briefings, and instructions for using the Lessons Learned and Best Practices database has also been developed and posted.

A new feature that was added with the recent enhancements is a mechanism that allows recipients to provide feedback on the Lessons Learned and Best Practices received. Since this feature was added, over fifty feedback forms have been received.

Subject matter experts can use this feedback to determine if the lessons learned were incorporated into and effectively improving work processes.

OIA has developed a training class for all LBNL personnel, and works individually with employees to develop Briefings. Moving into the future, it is anticipated that the number of Lessons Learned Briefings and amount of feedback will continue to increase, enabling the Lab to continue to effectively improve its programs and processes.

**Performance Measure 4.2.4** Leadership is committed to a pervasive safety culture, and strives for continuous safety performance improvement.

**Target:** Leadership is further strengthening LBNL's safety program through comprehensive implementation of the Integrated Safety Management Peer Review Corrective Action Plan and follow-up recommendations of the DOE Validation Team. This implementation will also examine outcomes from a planned September 2006 ISM Review and consolidate corrective actions. All corrective actions scheduled for FY 2007 will be completed, integral with a strategy of continuous improvement.

**Performance:** Grade is A (3.8).

Through the fiscal year, leadership continued its commitment and effort to improve and sustain excellent safety performance in support of LBNL's research and education mission. A comprehensive Integrated Safety Management System Correction Action Plan (ISMS CAP) was developed and submitted to the DOE Berkeley Site Office. This plan encompasses the on-going corrective actions identified through the January 2006 Peer Review and the seven recommendations from the September 2006 McCallum-Turner (M-T) ISM review. Careful analysis of both reviews revealed a confluence of causal factors, resulting in LBNL's acceptance of all seven recommended actions from the M-T ISM review. The strong correlation between two sets of corrective actions from the two reviews formed the basis of the resulting one integrated set of major activities that collectively addresses the findings of both reviews. Examples of major activities completed include:

- Safety communications plan was developed and implemented.
- 'Safety line management chain' and 'work leader' have been defined.
- New Job Hazards Analysis (JHA) process has been developed.
- Formal procedure for Safety Review Committee (SRC) review implemented
- Procedures for approval of ES&H manual changes were implemented
- Division Safety Coordinator and EHS Liaison responsibilities were revised.
- ESH Technical Assurance program developed and implemented.
- Lessons Learned/Best Practices system has been developed and is functional.
- CATS (Corrective Action Tracking System) database enhanced.

- Penetration (Dig) permit process has been streamlined.
- UCB/LBNL Research Collaboration Steering Committee has been established.
- UCB/LBNL laser safety training programs are now equivalent.

The Laboratory developed a Project Management Plan for implementation of the ISMS Corrective Action Plan. This Plan establishes a disciplined approach to assure implementation of the major activities in a credible and timely fashion. Progress on implementing ISMS CAP is reported in PEMP section 5.2.4.

Performance on the ISMS CAP exceeded expectations in FY07 with 40 major activities completed compared to the goal of 37. Internal Audit Services validated completion of these activities and they included many of the activities cited above. This accomplishment demonstrates Laboratory Leadership's commitment to following through on the recommendations of the McCallum-Turner team in improving the implementation of ISM. This commitment carries forward to FY08 to ensure that the remaining eighteen major activities are completed and the effectiveness of the improvements is evaluated.

Beyond the target, Laboratory leadership in particular recognizes the importance of preventing ergonomic injuries as a critical element of reducing our overall injury rate. Dr. Chu directed all managers and supervisors to review ergonomic safety with their employees. The Laboratory is implementing the following initiatives as part of an aggressive campaign to prevent such injuries:

- Discuss Safety strategy at senior staff level
- Discuss Safety at divisional town hall meetings
- Provide professional ergo support via the Ergo Program Team
- Recruit and train divisional Ergo Advocates
- Train and conduct management Ergo Walk-Arounds
- Pilot rollout of Remedy Interactive software for individual employee ergo training and self-assessment in selected Divisions
- Increase use of speech recognition program

Aggressive efforts to prevent ergonomic injuries continued throughout the year with the implementation of the Ergo Advocate program in the 3<sup>rd</sup> quarter which demonstrates the commitment of Division Directors to assign their staff to be Ergo Advocates. The Laboratory has trained over 35 Ergo Advocates through implementation of the Ergo advocates program. The Lab also continued to push early intervention as a key element in prevention through aggressive response to first aids, establishing a new office furniture standard, and continued education. In the 4<sup>th</sup> quarter, UC Office of the President contracted with Remedy Interactive to provide online computer ergonomic support to all campuses including LBNL at no additional cost to the campuses. This contract demonstrates strong UC corporate support for the

Lab in reducing ergonomic injuries. Strong UC corporate support is also evidenced by the funding of a Return to Work Coordinator who joined the Lab in September to develop and implement a proactive return to work program.

In response to 10CFR 851, The Laboratory worked with the BSO and ORO to develop a Worker Safety and Health Plan that was submitted to BSO on time at the end of February. The plan is a culmination of 15 months of effort that achieved consensus within the Laboratory around significant changes made to the ES&H Manual (Pub 3000). It also reflects the Laboratory leadership's desire to work collaboratively with the BSO on this groundbreaking regulatory mandate.

Seismic safety was the core of the Laboratory's FY 2007 infrastructure planning efforts. Seismic safety improvements were proposed in close consultation with DOE BSO and HQ for the FY 2009 Science Laboratory Infrastructure program. The seismic improvement strategy, supported by DOE, focuses on the demolition of existing structurally inadequate buildings, replacing the buildings with much safer structures, and seismic upgrades to many existing structures.

**Performance Measure 4.2.5** Leadership undertakes continuous operational improvement and achieves progress on management efficiency initiatives. The efficiencies should streamline, and where appropriate automate processes, standardize and institutionalize practices, and improve the management of resources.

**Target:** Efficiency improvement targets for 2007 include three areas: (A) supply chain management, (B) information technology, and (C) facilities condition assessment. In these target areas, significant progress should be demonstrated in efficiency improvements and/or savings as appropriate

**Performance:** Grade is A (4.0).

The supply chain initiative of the Office of the Chief Financial Officer (OCFO) has made significant progress this fiscal year. Following the successful lab-wide deployment of the laboratory's first eBuy commodity (office supplies) in FY 2006, four (4) additional major commodities have been added in FY 2007 - industrial, supplies; computer peripherals; electronic supplies; and desktop computers. Additionally, a sixth strategic commodity which encompasses multiple suppliers through an enhanced eCommerce process - laboratory supplies - is on the verge of completing pilot testing and will be deployed in mid October. This progress achieved on eBuy deployments has enabled the Laboratory to meet its Prime Contract cost savings projections, with cost savings of \$7.2 million through FY07. Other commodities that will be piloted in FY08 include vacuum supplies, electrical supplies, gases, and Dell computers. These are anticipated to augment the array of available eBuy commodities and provide further supply chain cost savings. As the laboratory's preferred user empowered rapid purchasing delivery system, eBuy enables end users direct access to supplier websites to shop and make their own buys from supplier catalogs at discount prices, with most deliveries occurring within 24 to

48 hours. The system was designed to streamline acquisition, logistics and disbursement costs, provide greater leveraging of supplier spend, reduce overall cycle times, increase customer satisfaction, and improve overall rapid purchasing system controls. A steering committee composed of division representatives oversees this project and ensures division needs are met in these contracts. In addition to eBuy, effort is underway on evaluating and improving the processes and infrastructure for shipping management and administration of the procurement card.

The IT organization continued to improve its services and operations during FY07. As a rule, services like email, web hosting, and backups became less expensive, with the resulting savings passed back to researchers in the form of reduced recharge rates. Email recharge rates in particular benefited from new technologies which improved the efficiency of operations and permitted a retroactive rate decrease to the beginning of the fiscal year. The Workstation Standardization initiative continued to make progress in reducing the total cost of ownership of Laboratory workstations. The TCO is trending modestly downward even while satisfaction with support remains high. FY06 savings were \$813K, representing a 10% savings per workstation. FY07 savings will be calculated during FY08. Other benefits of the initiative include the development of the Active Directory framework, which improves policy compliance across almost all windows workstations at LBNL- including those that are not part of the initiative. This process significantly reduces the burden on researchers who manage their own systems. The LBNL Software Distribution page is another example of improved efficiencies, allowing researchers to purchase software and immediately download it from a central laboratory site. The site tracks the purchases and also ensures the Laboratory makes better use of University of California, SLCCC, and LBL negotiated software license rates automatically. IT is also continuing to look for ways to accrue hardware, cooling, space, and management efficiencies in our data centers, potentially delaying the need to build expensive new data center space for operational and midrange scientific computing. This project, while still in its early stages, has already resulted in a decrease in operational servers. Finally, the IT Division completed a large survey of its scientific and operational customers during the fourth quarter. The results are still being analyzed, but the survey represents the Laboratory's commitment to ensuring that the services we provide are well aligned with operational and scientific goals in order to use overhead and recharge dollars as efficiently as possible. Further information about IT improvements is available in 6.4.5 (IT Improvements) and 8.2 (Cyber Security Improvements).

The Integrated Facilities Condition Management Program continues to meet the Strategic Management Initiative goals and exceeds the facility condition assessment requirements as prescribed by RPAM (Real Property Asset Management) DOE order 430.1B. Building system assessments were completed for 550,000 gsf of LBNL Mission Critical assets during FY07. An additional 364,000 gsf are scheduled for assessment in FY08.

Recent program improvements have provided LBNL with notable RPAM efficiencies in RPV (Replacement Plant Value) and RIC (Rehabilitation and Improvement Cost)

development, as well as, application development that incorporates automated processing and uploading for mandated reporting and analytical functionality for planning based on dynamic condition data. The LBNL RPV was formerly based on building model types and square footage. The RPV is now derived from the Integrated Facilities Condition Management Program database with dynamic building system inventory for each asset. RIC values are now produced with a newly developed application utilizing the building records database with enhanced analytical functionality. Rehabilitation and Improvement projects can be planned and evaluated with accurate cost estimates for project scope ranging from partial system upgrades to complete building modernization and changes in program use. The Facilities Condition Management database compiles the RPV and RIC values along with dynamic asset condition data, and streamlines our mandated annual reporting with automated uploading to the FIMS registry.

The Lab realized other operational efficiencies during FY07. The Lab is pursuing process changes recommended in the Property Management Improvement Plan, which resulted from a Project Management Office led review of Property Management. Improvements include: improved divisions management control over assets, reduced effort/cost to manage assets, reduced inter-departmental communication and dependencies between organization reducing process and approval time, and increased efficiencies and reduced error due to higher degree of automation hence increasing efficiency and effectiveness.

The Lab-wide wiki collaborative authoring platform was deployed, which supports key information for customers of both Information Technology and the Office of the CFO, as well as additional lab projects. This platform enables more effective self-service user support, including user-generated help information. Email service costs were substantially reduced during FY07, continuing a two-year trend. In addition, improvements in spam and virus blocking that also resulted in management efficiencies were fully deployed, leading to both enhanced security for Lab mail users and improved productivity for email system administrators.

Efforts to improve library service were also completed in FY07. A major analysis of online journal availability cross-walked to physical backfiles allowed for a 45% reduction in physical backfiles. This, together with remodeling of the Main Library, yielded 2500 square feet that will be repurposed for research space. Major development of a new online report submission system was also completed in FY07, with a target FY08 rollout. When complete, this will improve the ability of LBL to provide timely information about new reports to Office of Science and Technical Information while improving access to our research products. Finally, a retrospective card catalog conversion was completed, which allows online access to older LBNL reports and sources and prepares LBL for further improvements in its online library presence in FY08.

**Performance Objective 4.3:** Provide Efficient and Effective Corporate Office Support as Appropriate

Objective 4.3 has three measures and the average score is 4.2.

Measure	Grade	Numerical Score	Avg. Numerical Score for Objective 4.3
4.3.1	A+	4.2	
4.3.2	A+	4.2	
4.3.3	A+	4.3	
<b>Performance Objective 4.3 Total</b>			4.2

Note: All measures equally weighted

**Performance Measure 4.3.1:** University support of programs, business and other operations, including administration, finance, human resources, and facilities, and process and procedure improvements.

**Target:** UC's LBNL Advisory Board meets twice yearly with an agenda that is balanced between selected scientific and operational topics. The Board provides a timely written report and recommendations to the President of the University concerning the management of the Laboratory and the quality of UC support and oversight, including the effectiveness of the LBNL and UC contract assurance functions. UC and the Lab will follow-up on recommended improvements.

**Performance:** Grade is A+ (4.2).

The second and third UC LBNL Advisory Board meetings took place on December 18-19, 2006 and May 3-4 2007. In the December meeting, particular emphasis was given to presentations and discussions for strategies on Berkeley Lab's initiatives for the Next Generation Light Source, Astrophysics research, and Helios proposals on low carbon energy strategies. Other important topics reviewed include institutional assurance, overall lab vision and strategies, operations, and infrastructure projects. The Board appreciated the intensive program provided and expressed its support for the strategic directions addressed. The Board's February report supported the significant scope and value of the Helios proposals, the progress at the DOE Joint Genome Institute, the scientific promise of the Joint Dark Energy Mission, and R&D planning for next generation light source. The Board provided recommendations to assure the success of these efforts, including appropriate development of project integration, need for adequate support for the user communities, and emphasis on strong safety programs, technical staffing, and infrastructure.

For the May meeting topics included biofuels research, global climate change research, feedback from users at the national user facilities, the DOE Joint Genome Institute, optical accelerators, the Laboratory Directed Research and Development Program, operations, infrastructure and other topics. The Board reviewed DOE's evaluation LBNL's performance, commenting on the quality of the laboratory's leadership, scientific performance and operations. The Board recognized the success of the Helios proposals, and recommended that Laboratory leadership pay close attention to the ensuing issues of large scale R&D alliances. The Board also

commented on the Molecular Foundry user community and the exploration of policies that encourage full access by all potential users, including industry users. The UCOP and the Laboratory continued to follow-up on the areas of the Board's recommendations from its second and third meetings, actively advancing the JDEM program through the National Academy of Sciences reviews, giving considered attention to the successful Helios proposals and discussions with respective DOE and other sponsors, and advancing projects that support the user communities.

Above the Targets, the University provided guidance, training, and management tools of great value to the Laboratory. UCOP's Senior Leadership Institute was held in San Diego and was attended by the Directors and other leaders of four Laboratory units. LBNL participated in UC Business Officer's Institute, and in human resources training sessions. UCOP's Human Resources and Benefits office assisted with labor relations agreements and compensation programs. The University reviewed and approved the Laboratory's FY 2008 Compensation Increase Plan, which was approved DOE in September. UCOP provided the laboratory and campuses with Remedy Interactive online computer ergonomic support software. UCOP also rolled out an integrated Learning Management System (LMS) that will greatly improve hosting, reporting, tracking and delivery of training for laboratory and campus faculty and staff. The University also acquired the software for creating training content. The system has the scale to host online training events, and manage the data including exchange of data electronically between local campuses UCOP The University also renewed and renegotiated Y-Cal airfares which are available to the Laboratory as a way to economize on DOE travel costs.

A significant demonstration of University support of process improvements is the successful implementation of the 26 UC contract proposal management initiatives and improvements that were developed to improve overall operations of the Laboratory. Significant progress has been made on all of these initiatives and, consequently, sustained improvement will continue into the future. As a result of these initiatives, LBNL has enhanced capabilities for attracting, developing, and retaining world-class scientific personnel; leveraged core competencies across traditional disciplinary and institutional boundaries; expanded scientific impacts from user facilities; strengthened key areas of operations and business management; and implemented a new internal and corporate oversight model. As of the end of FY07, LBNL has fully implemented 22 of the management initiatives and, as appropriate, institutionalized them into ongoing Laboratory operations. The four remaining initiatives are meeting the projected implementation schedule but require additional time before they are fully integrated and all benefits are realized.

**Performance Measure 4.3.2** The demonstrated accomplishment of the Contractor to enter into effective joint appointments when appropriate.

**Target:** New UC joint appointments in the area of nanoscience and solar to chemical energy research.

**Performance:** Grade is A+ (4.2).

During 2007, further discussions occurred between Berkeley Lab senior leadership and Deans in relevant departments at UC Berkeley on jointly funded appointments. Possible joint appointments were discussed, in various settings in the areas of nanoscience, solar to chemical energy, synthetic biology, computing and nuclear engineering, with some potential candidates having been identified. In nanoscience, UC/LBNL have successfully collaborated on recruitment of 14 joint appointments to the Materials Sciences and Physical Biosciences Divisions at LBNL. In FY 2007, more than 25 new faculty in a broad range of disciplines, approximately half in the nanoscience area, have joined the Lab's ranks.

A particular emphasis during 2007 was preparing groundwork for successful implementation of JBEI, SERC and EBI to concentrate research on producing carbon-neutral energy supplies, especially fuels. Two appointments were made in the first quarter in the Physical Biosciences Division that will have important new connections for the laboratory community. Both professors hold joint appointments with the Carnegie Institution and Stanford University, and will be important players for the JBEI initiative. These activities include negotiations on new joint Berkeley Lab and UC appointments in this direction. Deputy Director Fleming has negotiated the details of a formal MOU among UC Academic Affairs and HR managers at UCB and LBNL, and the agreement was signed on June 6, 2007. The agreement provides for and clarifies search processes, promotion and advancement, performance evaluation, rights and responsibilities, the application of normal compensation procedures, and sabbatical leave terms, among others.

The leadership connections to the Berkeley Campus continue with the Council of Science and Engineering Deans, of which Deputy Director Fleming is a member. In addition to the Engineering and Physical Sciences Deans mentioned above, they include the Deans of the College of Natural Resources, College of Chemistry, and Biological Sciences. In addition a new UC Berkeley/LBNL Joint Research Issues Steering Committee has been formed that includes Co-chairs Beth Burnside, UC Vice Chancellor for Research, and LBNL Deputy Director Fleming. In the Fourth Quarter, Materials Sciences added a new joint LBNL/UCB recruitment (Ali Javey) as part of building the nanoscience area.

In addition to the recruitments in the nanoscience and Helios areas, recent new joint appointments were made in ALS (3), Chemical Sciences (1), Earth Sciences (4), Genomics (1), and Life Sciences (5). The net number of University-Laboratory joint appoints, accounting for retirements and departures, remained approximately level at 272 (effective 7-31-2007).

LBNL and UCB campus continued further discussions for additional joint appointments in the focus areas of nanoscience and solar to chemical research. Growing involvement by Berkeley Lab on the subject of joint appointments is taking place through the Council of Science and Engineering Deans. This is an important

forum for broader UC support and has already led to discussions with the lab and UCSF on advancing biomedical research and computational biology.

Beyond the target, three more Berkeley Lab divisions are now under the leadership of Directors with joint appointments: the Earth Sciences Division, the Environmental Energy Technologies Division, and the National Energy Research Scientific Computing Center Division. These three new Directors are all nationally recognized, and two are members of the national academies of sciences or engineering.

**Performance Measure: 4.3.3:** Effectiveness of supporting the construction of new Laboratory facilities through alternative financing.

**Target:** LBNL and UCOP leadership actively work to achieve alternative financing for important new buildings such as a User Guest House, a Computational Research and Theory Building, and a Helios Research Facility. Demonstrated progress is achieved on the conceptual design of these facilities.

**Performance:** Grade is A+ (4.3).

UCOP included the Helios building in the University's 2006-2007 to 2010-2011 State Funded Capital Plan, and both Helios and the Computational Research and Theory Buildings in the University's Non-state Funded Capital Plan. The User Guest House Project Planning Guide was reviewed and approved by The Regents at the November meeting. In the second quarter, The Regents approved the project planning guides, capital improvement program, and interim and external financing for the Computational Research and Theory Building and the Helios building as UC construction projects on The Regent's lands adjacent to LBNL. The University of California-led Energy Biosciences Institute collaboration was successfully awarded in February, 2007. As part of that project additional State funds were provided for an expanded Helios Building (included in scope approved by The Regents). In August 2007 the State Legislature and the Governor approved \$70M in funds for the Helios Building, in addition to the commitment for providing bonding capacity for the projects. The Office of the President has instituted regular call-in meetings between UCOP, LBNL, and BSO so that UC related initiatives, including construction activities, are understood and support effective management of Laboratory and University resources aligned with contract terms.

## **Evidence File**

### **Measure 4.1.1**

Lawrence Berkeley National Laboratory Business Plan, February, 2007

[http://www.er.doe.gov/National\\_Laboratories/Draft\\_Labs%20Booklet.pdf](http://www.er.doe.gov/National_Laboratories/Draft_Labs%20Booklet.pdf)

Lawrence Berkeley National Laboratory FY 2006 Ten Year Site Plan (TYSP), July 2007

InterAcademy Council, Transitions to Sustainable Energy,

<http://www.interacademycouncil.net/?id=9481>

FY 2007-2008 Comprehensive Planning Calendar

(<http://www.lbl.gov/Publications/Planning/planning-calendar.html>)

Helios Research Website

[http://www.lbl.gov/msd/helios\\_site/index\\_helios.html](http://www.lbl.gov/msd/helios_site/index_helios.html)

### **Measure 4.1.2**

Molecular Foundry projects website, <http://foundry.lbl.gov/research/research.htm>

Supernova Acceleration Probe website, <http://snap.lbl.gov/>

Deep Underground Science and Engineering Laboratory website.

<http://www.lbl.gov/nsd/homestake/Personnel.html>

DOE Joint Genome Institute website, <http://www.jgi.doe.gov/>

Joint BioEnergy Research Institute Website

<http://jbei.lbl.gov/team.html>

Linac Coherent Light Source Facility Advisory Committee website, [http://www-ssl.slac.stanford.edu/lcls/lcls\\_fac.html](http://www-ssl.slac.stanford.edu/lcls/lcls_fac.html)

California Institute for Quantitative Biomedical Research Partnerships website,

<http://qb3.org/partners.htm>

### **Measure 4.1.3**

Online DOE WFO Certification System

Approval of LBNL FY 2008 Work for Others Funding Level (Orbach to Richards 8/17/07)

Draft Report and Plan: FY 2007-2009 Work For Others Program: LBNL June 28 2007

### **Measure 4.1.4**

LBNL Workplace Climate Survey Participation Results, December 4, 2006

<http://www.lbl.gov/today/2006/Dec/04-Mon/workplace-survey.html>

Workforce Climate Survey Actions

[http://www.lbl.gov/LBL-Work/diversity/assets/docs/4-20-07-View-](http://www.lbl.gov/LBL-Work/diversity/assets/docs/4-20-07-View-ClimateSurveyLeadsToAction.doc)

ClimateSurveyLeadsToAction.doc Workforce Diversity Office website,

<http://www.lbl.gov/Workplace/WFDO/>

### **Measure 4.1.5**

Community Relations Website

<http://www.lbl.gov/Community/>

Long Range Development Plan and EIR Website

<http://www.lbl.gov/Community/LRDP/index.html>

Center for Science and Engineering Education website, <http://csee.lbl.gov/>

### **Measure 4.2.1**

Contract Assurance Council Charter and Membership,

<http://www.lbl.gov/DIR/OIA/CAC/>

Contract Assurance Council website, meetings and minutes,

[http://www.lbl.gov/DIR/OIA/CAC/Meetings\\_Minutes.html](http://www.lbl.gov/DIR/OIA/CAC/Meetings_Minutes.html)

FY07 Assurance Letter: Annual Evaluation and Reporting of Management Control Systems

### **Measure 4.2.2**

OIA documentation (general): <http://www.lbl.gov/DIR/OIA/index.html>

Office of Institutional Assurance Charter, <http://www.lbl.gov/DIR/OIA/index.html>

Operations Assurance Gap Analysis (OIA-OCA-0004)

UC Assurance Plan for LBNL (PUB-5520)

### **Measure 4.2.3**

Lessons Learned and Best Practices Program Manual:

[LBNL/PUB-5519 \(4\), Lessons Learned and Best Practices Program Manual, Rev. 0](#)

Lessons Learned and Best Practices database:

<https://isswprod.lbl.gov/lessonslearned/login.aspx>

Lessons Learned/ Best Practices Database User Manual:

[OIA-OCA-0002, Lessons Learned/Best Practices Database User Manual, Rev. 0](#)

### **Measure 4.2.4**

LBNL Accident Statistics,

<http://www.lbl.gov/ehs/safety/accidentStatistics.pdf>

Ergonomics Program Website and Resources

<http://www.lbl.gov/ehs/ergo/index.shtml>

Integrated Safety Management System Corrective Action Plan, March 2007

<http://www.lbl.gov/ehs/ergo/index.shtml>

LBNL Environment, Health and Safety Division website,

<http://www.lbl.gov/ehs/>

### **Measure 4.2.5**

Enterprise Computing Steering Committee, minutes, 2006-2007

Scientific Cluster Support (SCS) Program website: <http://scs.lbl.gov/>

Supply Chain Monthly Status Reports 2006-2007

WSC Website: List of zones (<http://wsc/docs/wsc-zone-map-berkeley-lab-site.pdf>) and support staff assigned (<http://wsc/docs/wsc-zone-support-info.pdf>)

Active Directory report showing number of computers inventoried

2007 Facilities Condition Assessment Report

### **Measure 4.3.1**

Agenda, UC/Lawrence Berkeley National Laboratory Advisory Council, December 18-19, 2006

Membership List, UC/Lawrence Berkeley National Laboratory Advisory Council, May 3, 2007

Agenda, UC/Lawrence Berkeley National Laboratory Advisory Council, May 3-4, 2007

University of California - Management Initiatives for LBNL. Letter to Aundra Richards dated September 28, 2007 and supporting documentation:

[http://www.lbl.gov/DIR/OIA/assets/docs/OCA/OCA\\_ContractPerform/Proposal\\_Init\\_Master.pdf](http://www.lbl.gov/DIR/OIA/assets/docs/OCA/OCA_ContractPerform/Proposal_Init_Master.pdf)

**Measure 4.3.2**

Memorandum of Understanding on Joint Appointments, University of California Berkeley and Lawrence Berkeley National Laboratory, 2007

List of new Faculty Joint Appointments, July 31 2007

Agendas, Meetings of the Council of Science and Engineering Deans

**Measure 4.3.3**

Office of the President, Budget for State Capital Improvements, November 2006

Office of the President, Five Year Capital Program Non-State and State Funds, November, 2006

State of California, FY 2007 Budget, Sacramento, California, August, 2007





**Goal 5.0:** *Sustain Excellence and Enhance Effectiveness of Integrated Safety, Health and Environmental Protection.*

### **Executive Summary**

For Goal 5.0, LBNL achieved a numerical score of 3.4, an equivalent of a B+ score. The Goal 5.0 has three objectives with a total of ten measures.

A major FY07 initiative for LBNL was the development of a comprehensive Integrated Safety Management System Correction Action Plan (ISMS CAP). This plan included the corrective actions identified through the January 2006 Peer Review and seven major recommendations stemming from the September 2006 McCallum-Turner (M-T) ISMS review that LBNL commissioned in an ongoing effort to improve implementation of ISM. During the third quarter, the Laboratory developed a Project Management Plan for implementation of the ISMS Corrective Action Plan. The major activities in this CAP are designed to improve overall ES&H performance by addressing key organizational and cultural safety issues present at the Lab. These include development of the work lead concept, implementing a new Job Hazards Analysis process, establishing an Issues Management Program, revising ISM governing documents, and other improvements. LBNL completed 40 major activities during FY07, exceeding the goal of 37 and achieved an A rating. Performance on the Lab's ISMS CAP demonstrates Laboratory Leadership's commitment to following through on the recommendations of the McCallum-Turner team in improving the implementation of ISM. This commitment carries forward to FY08 to ensure that the remaining eighteen major activities are completed and the effectiveness of the improvements is evaluated.

The Lab completed all target and one additional milestone in its efforts to improve line management accountability for enforcement of safety practices and procedures, achieving an A rating for defining safety management responsibilities for PIs, postdocs, and graduate students, and developing training to perform these responsibilities

In response to increasing illness and injury case rates, LBNL formulated an aggressive program to reduce the number and severity of injuries – specifically ergonomics injuries, which represented approximately 67% of injuries in FY07. We are improving our ability to identify employees with high risk factors before an injury occurs through the introduction of a web-based employee ergonomic self-assessments and training program, augmenting the staff of certified ergonomists, initiating an ergonomic advocate program to provide increased resources at the division level, and enhancing communications and awareness of safety to encourage employees to report injuries earlier. In the near term however, because of these initiatives, more employees are coming forward with ergonomic injuries, which has led to increases in total recordable case (TRC) rate and days away, restricted or transferred (DART) case rate. Both DART and TRC rates did improve during the last two quarters, as compared to the first half of the year. We will continue to give this performance area significant management attention in FY08 by aggressively ensuring that the programs formulated in FY07 are effective in reducing injuries.

LBNL met the B+ target for environmental compliance, receiving minor regulatory violations from multiple inspections and a sewer system overflow. The Lab submitted one Price Anderson Amendments Act (PAAA) Noncompliance Tracking System (NTS) report for operating outside of the scope of its DOELAP accreditation. However, performance still exceeded the goal for the number of radiological incidents and the Lab achieved an A rating for this measure.

For the training measure, LBNL achieved an A- rating for 92% completion rate for required safety-related training and made a number of improvements to the ES&H training program. To measure the effectiveness of the Lab's process to identify, analyze, and categorize hazards associated with all work, LBNL migrated 93.8% of active Activity Hazard Documents (AHDs) to the updated AHD management system, resulting in an A+ rating.

LBNL successfully completed all milestones under the Environmental Management System measure, resulting in an A rating. Implementation of waste minimization, emission reduction, and resource conservation projects resulted in an A+ rating.

Noteworthy achievements include:

On July 31, 2007, the Department of Toxic Substances Control (DTSC) approved the Lab's Hazardous Waste Handling Facility (HWHF) Part B permit ten-year renewal. The process took 4 years and required public hearings and approval. A local citizens group challenged DTSC's decision to issue the permit, which delayed implementation by six months. The renewed permit allows the maximum flexibility to handle wastes generated in the research and operations of LBNL. Granting of this permit is a reflection on the credibility that LBNL has worked hard to build with this agency.

LBNL funded a number of EHS-related projects with Non-Cap Alteration and General Plant and Equipment funding which allowed LBNL to make progress in disposing of legacy material and remediating the National Tritium Labeling Facility. Another significant project for LBNL was to perform the radiological characterization of the Building 71 and the HILAC tank to support expansion of research activities and seismic upgrade construction.

LBNL has improved occupational safety and health compliance efforts in FY07 through the implementation of a 10 CFR 851 Worker Safety and Health Program. In addition to the development and approval of the Worker Safety and Health Plan (PUB-3851), LBNL revised 16 of 28 chapters of PUB 3000 to incorporate the appropriate requirements.

In March 2007, the Lab won the prestigious 2007 Ergo Cup with an innovative "Shake 'N Plate" instrument, a device designed to alleviate upper body fatigue associated with bacterial culture plating. In addition, in August 2007, the Lab completed 24 months of construction work, comprising more than 335,000 work hours, with only one recordable injury. This is a significant achievement that is far better than the national average. While the national construction industry's safety record has improved over the past

decade, the average Total Recordable Case Rate (TRC) for all U.S. construction work for 2005 was 6.1, according the Bureau of Labor Statistics. Berkeley Lab's TRC for construction work for the previous 24 months was 0.6.

Opportunities for Improvement:

From June 2006 to June 2007, LBNL generated seven electrical Occurrence Reporting and Processing System (ORPS) reports. While these incidents occurred in different divisions, the majority shared a common general cause - "Work Planning Needs Improvement/Less than Adequate." The analysis indicated there was evidence of a recurring event. LBNL submitted an ORPS Recurrence Notification, initiated a causal analysis, and will develop and implement corrective actions and lessons learned to prevent recurrence.

Similarly, from October 2006 to September 2007, LBNL generated eight ORPS reports that directly involved subcontractors. Analysis of these incidents revealed evidence of a recurring problem specific to subcontractor management. LBNL has submitted an ORPS Recurrence Notification, and during FY08 will initiate causal analysis and develop and implement corrective actions and lessons learned to prevent recurrence.

LBNL recognizes that a considerable portion of our research electrical apparatus and some electrical distribution systems have not been approved by a Nationally Recognized Testing Laboratories (NRTL), as required by NFPA70E. LBNL will develop a process for identifying, testing, and accepting electrical equipment.

LBNL leadership will continue its commitment and effort to improve and sustain excellent safety performance in FY08 by aggressively ensuring that the programs formulated in FY07 are effective in reducing injuries and implement new programs to achieve and maintain "best-in-class" ES&H program performance in both TRC and DART.

An investigation of the mercury spill at the Molecular Foundry in August 2007 identified opportunities for improvement of ISM at the institutional, facility and activity levels that are being addressed by the ISMS CAP corrective actions and more specific facility level actions.

**Goal Score**

Element		Numerical Score	Objective Weight	Weighted Score	Total Points
<b>5.0 Sustain Excellence and Enhance Effectiveness of Integrated Safety, Health and Environmental Protection.</b>					
5.1 Provide a Work Environment that Protects Workers and the Environment		2.3	35%	0.8	
5.2 Provide Efficient and Effective Implementation of Integrated Safety, Health and Environmental Management		3.9	35%	1.4	
5.3 Provide Efficient and Effective Waste Management, Minimization, and Pollution Prevention		4.1	30%	1.2	
<b>Performance Goal 5.0 Total</b>					<b>3.4</b>

**Performance Evaluation**

**Performance Objective 5.1:** Provide a Work Environment that Protects Workers and the Environment.

Objective 5.1 has four measures and the grade is C+ (2.3).

Measure	Grade	Numerical Score	Avg Numerical Score for Objective 5.1
5.1.1	C-	1.5	
5.1.2	F	0.7	
5.1.3	B+	3.3	
5.1.4	A	3.8	
<b>Performance Objective 5.1 Total</b>			<b>2.3</b>

Note: All measures equally weighted.

**Performance Measure 5.1.1:** The Contractor’s progress in achieving and maintaining “best-in-class” ES&H program performance, as measured by the days away, restricted or transferred (DART) case rate.

**Target:** DART rate is 0.25.

**Performance:** Grade is C- (1.5). DART rate is 0.70, calculated as of October 5, 2007 using the OSHA-permissible adjustment for overtime hours

On July 3, 2007, the Office of Science changed its policy on reporting overtime hours for exempt employees into the DOE Computerized Accident/Incident Reporting System. The unadjusted DART rate is 0.79

See 5.1.2 for performance comments.

**Performance Measure 5.1.2:** The Contractor’s progress in achieving and maintaining “best-in-class” ES&H program performance, as measured by the total recordable case rate (TRC).

**Target:** TRC rate is 0.65

**Performance:** Grade is F (0.7). TRC rate is 1.43, calculated as of October 5, 2007 using the overtime hours for exempt employees as allowed by OSHA.

On July 3, 2007, the Office of Science disallowed reporting of overtime hours for exempt employees into the DOE Computerized Accident/Incident Reporting System. The TRC rate without exempt overtime hours is 1.62

For measures 5.1.1 and 5.1.2, LBNL analyzed the injury data and identified that the majority of the injuries were ergonomic-related. In order to improve our injury rates, LBNL’s strategy was to focus the safety efforts on ergonomic program improvements, which resulted in reduced DART and TRC rates during the second half of the year as compared to the first. Ergonomic program improvements include:

- Strengthening our cadre of ergonomics professional staff – LBNL hired two professional ergonomists and an ergonomic safety technician. In addition, we are continuing to partner with the UC Ergonomics Center at UCSF to provide specialist ergonomics support at LBNL and at our satellite facility, the Joint Genome Institute at Walnut Creek.
- Training over 35 ergonomics advocates who are science and operations staff directly assigned to divisions, but trained on ergonomic fundamentals. These advocates are a key element of our early intervention strategy. They work in the divisions and are aware of peak workload times and other risk factors. These advocates address ergonomic issues before they become injuries. Advocates also follow-up on corrective actions to ensure they are completed.
- Piloting a new ergonomic self-assessment software tool (Remedy Interactive) in the Information Technology Division with good results. This tool gives

employees the opportunity to take charge of their personal safety and will be implemented throughout LBNL in FY08.

- Piloting new speech recognition software (Dragon Naturally Speaking, version 9.0). This software provides some high-risk employees the opportunity to drastically reduce keyboard and mouse use for certain, commonly used applications.
- Integrating ergonomics architectural input in the process of designing a new 60000-square foot area for the newly-funded Joint BioEnergy Institute. This new furniture standard will be available across the Site.

In addition, the EH&S Communications Committee has implemented numerous initiatives designed to inform and educate the Lab population on a variety of safety topics, such as an emphasis on prompt reporting and early intervention. These initiatives include the **1 Minute 4 Safety** web site, the cafeteria LCD slides, the ergonomic "Take Your Mouse to Lunch" fair, advertising campaigns for the Health Services influenza vaccine and skin cancer screening clinics, and various TABL articles. Lab wide skin cancer screening and influenza vaccine clinic attendance increased significantly over the previous year. The ergonomic "Take Your Mouse to Lunch" fair was attended by over 90 participants with 82% of the equipment being cleaned, or replaced. The 1 minute 4 safety web site routinely receives an average of >1500 hits per week, indicating a high level of usage. The Committee has sponsored over 100 ES&H messages in TABL articles over the last two years.

**Performance Measure 5.1.3:** The number of environmental non-compliance issues relative to an internal control number.

**Target:** The number of environmental incidents (Notices of Violations and environmental releases exceeding regulatory reportable quantities) is at or below 3. Laboratory and DOE will apply a weighting factor to each environmental incident depending on severity, magnitude, and proactive nature of the work that may have resulted in the issue in accordance with the document "Weighting Factors for Environmental Incidents at LBNL".

**Performance:** Grade is B+ (3.3) based on the weighting agreement in the protocol. Four incidents were recorded, totaling 2 and 2/3 points. All were minor regulatory violations resulting from a sewer system overflow, two inspections conducted by the State of California, Department of Toxic Substances Control and one inspection from the Department Health Services:

- In June 2007, wastewater from a sanitary sewer system overflowed from a sewer manhole in the building 75 area. Environmental regulations required reporting the release to the California Office of Emergency Services and the City of Berkeley. (1/3 point)
- The Laboratory received a written notice of violation from the Department of Health Services (DHS) for the medical waste inspection in April 2007. The inspection reports are for the Potter Street facility and the main site. There

were a total of five minor violations noted, four accepted by the Lab and one contested. (1-1/3 points)

- The Laboratory received a Consent Order from DTSC in March 2007 fining the Laboratory for several violations of the hazardous waste regulations from inspections in 2003, 2004, and 2005. Three items stored in waste generator areas in excess of one year and one instance of transporting hazardous waste from LBNL to 903 in a salvage hopper were identified that had not previously been scored in the PEMP. (1/3 points)
- The final report of the May 2006 DTSC inspection of the HWHF was received in March 2007. The two minor labeling violations were corrected at the time of the inspection. (2/3 point)

**Performance Measure 5.1.4:** The number of radiological incidents relative to an internal control number.

**Target:** Laboratory and DOE will apply a weighting factor to each radiological incident depending on severity, magnitude, and proactive nature of the work that may have resulted in the incident in accordance with the document “Weighting Factors for Radiological Incidents at LBNL.”

**Performance:** Grade is A (3.8) based on the weighting agreement in the protocol.

One incident was recorded. LBNL submitted one Price Anderson Amendments Act (PAAA) Noncompliance Tracking System (NTS) report for operating outside of the scope of the current DOELAP accreditation. The Lab implemented a new dosimeter (January 1, 2007) prior to receiving approval from the DOELAP Performance Evaluation Program Administrator (PEPA) and the DOELAP Oversight Board. Although the new dosimeter had successfully passed all testing categories during DOELAP Performance Testing, the PEPA requires that an onsite evaluation of the program using the new dosimeter be conducted by DOELAP auditors before approval can be issued.

**Performance Objective 5.2:** Provide Efficient and Effective Implementation of Integrated Safety, Health and Environmental Management.

Objective 5.2 has four measures and the grade is A (3.9).

Measure	Grade	Numerical Score	Avg Numerical Score for Objective 5.2
5.2.1	A-	3.6	
5.2.2	A+	4.1	
5.2.3	A	4.0	
5.2.4	A	4.0	
<b>Performance Objective 5.2 Total</b>			<b>3.9</b>

Note: All measures equally weighted.

**Performance Measure 5.2.1:** Complete required safety-related training per Job Hazards Questionnaire (JHQ).

**Target:** 90% by 9/30/07.

**Performance:** Grade is A- (3.6). The JHQ training completion rate as of 9/30/2007 is 92%, exceeding the 90% target.

Additional ES&H Training Program improvements in FY 2007 supporting the continued overall effectiveness of the program include:

- PUB-3000 Chapter 24, EH&S Training, revised, approved, and updated on-line
- Work Lead (safety line manager) training piloted, revised, and provided to target audience in the Physical Biosciences Division (see 5.2.3)
- EHS0026, EH&S for Supervisors in Science Divisions, retooled into a more relevant and interactive classroom session
- EHS0010, Introduction to EH&S at the Berkeley Lab, restructured around the ISM approach and converted into a more hands-on classroom experience
- Web-based training for EHS0231, Compressed Gas and Cryogen Safety, Laser Safety at the ALS, and Laser Safety at the Molecular Foundry developed and placed on-line
- Training needs assessment process initiated and written recommendations developed for the following training areas: electrical safety, ergonomics, building manager, and work lead (safety line manager)
- LBNL and UCB laser safety trainings revised and made equivalent benefiting both campus and LBNL laser users
- JHQ interface updated to differentiate between EH&S training drivers for LBNL staff working on the main site and on campus

**Performance Measure 5.2.2:** Effectiveness of the process to identify, analyze, and categorize hazards associated with all work.

**Target:** Manage AHDs using the electronic AHD Management system. Complete established milestones on schedule, as follows:

1. Modify PUB-3000 to reflect that the electronic AHD management system is the location of record for active AHDs, and that all new AHDs and authorizations of existing AHDs must be processed through this system. Target date: October 30, 2006.
2. 10% of active AHDs are approved by all signatories through the electronic AHD management system. Target date: December 31, 2006.
3. 20% of active AHDs are approved by all signatories through the electronic AHD management system. Target date: March 31, 2007.
4. 50% of active AHDs are approved by all signatories through the electronic AHD management system. Target date: June 30, 2007.

5. 85% of active AHDs are approved by all signatories through the electronic AHD management system. Target date: September 30, 2007.

**Performance:** Grade is A+ (4.1). All target and one additional milestone was completed by their due date. As of 09/30/2007, of the 96 active AHDs, 90 have had a full review and sign-off in the electronic AHD management system, representing a 93.8% migration rate.

Additional AHD Program improvements in FY 2007 supporting the continued overall effectiveness of the program include:

- Implemented a web-based Activity Hazard Document Management System which allows easier and more user-friendly document preparation, assures a “tighter” review process, and provides a central repository for the documents.
- Performed field review of all laser AHDs, assuring compliance with the authorization requirements.
- Performed a top-down review of all AHDs to assure that they met current institutional expectations.
- Developed a web-based laser inventory system and populated the database, providing enhanced integration with the electronic AHD system.

**Performance Measure 5.2.3:** Improvement of line management accountability for enforcement of safety practices and procedures.

**Target:** Define safety management responsibilities for PIs, postdocs, and graduate students. Develop training to perform these responsibilities. Complete established milestones on schedule, as follows:

1. Define line safety management roles and responsibilities and submit the definitions for approval to Human Resources and the Safety Review Committee.  
Target Date: November 30, 2006.
2. Establish the need, scope, requirements of line manager safety oversight training.  
Target Date: February 28, 2007
3. Complete the development of training.  
Target Date: June 30, 2007
4. Begin training.  
Target Date: August 31, 2007

**Performance:** Grade is A (4.0). All target and one additional milestone was completed. This initiative was integrated into the ISMS CAP, resulting in a more rigorous and formal process than initially anticipated in the PEMP. LBNL based this training on the responsibilities of safety line managers as defined in PUB-3000. The training was targeted to the gaps identified between these responsibilities and current safety line manager performance as determined by a formal needs assessment.

Work Lead (safety line manager) training was piloted in July 2007. Another session was given to Work Leads in August 2007. Nineteen individuals completed the first two offerings of the training.

**Performance Measure 5.2.4:** Leadership is committed to a pervasive safety culture, and strives for continuous safety performance improvement.

**Target:** Leadership is further strengthening LBNL's safety program through comprehensive implementation of the Integrated Safety Management Peer Review Corrective Action Plan. All major activities scheduled for FY 2007 will be completed, integral with a strategy of continuous improvement.

**Performance:** Grade is A (4.0). A major FY07 initiative for LBNL was the development of a comprehensive Integrated Safety Management System Corrective Action Plan (ISMS CAP). This plan included the corrective actions identified through the January 2006 Peer Review and seven major recommendations stemming from the September 2006 McCallum-Turner (M-T) ISM review that LBNL commissioned in an ongoing effort to improve implementation of ISM. The strong correlation between two sets of corrective actions from the two reviews formed the basis of the resulting one integrated set of major activities that collectively addresses the findings of both reviews, resulting in the ISMS CAP. During the third quarter, the Laboratory developed a Project Management Plan for implementation of the ISMS Corrective Action Plan. LBNL's Project Management Office worked closely with Lab managers and staff, establishing a disciplined approach to assure implementation of the major activities in a credible and timely fashion. Senior Lab Leadership regularly reviewed progress on the CAP with the Project Manager and others responsible for implementing corrective actions.

Performance on the ISMS CAP exceeded expectations in FY07 with 40 major activities completed compared to the goal of 37. Completion of these activities was validated by Internal Audit Services. This accomplishment demonstrates Laboratory Leadership's commitment to following through on the recommendations of the McCallum-Turner team in improving the implementation of ISM. This commitment carries forward to FY08 to ensure that the remaining fifteen major activities are completed and the effectiveness of the improvements is evaluated.

The corrective actions in this plan are designed to improve overall ES&H performance by addressing the organizational and cultural safety issues present at the Lab by:

- Revising roles and responsibilities of Safety Liaisons, Coordinators and Safety Review Committee
- Defining and establishing "safety line management chain" and "work lead" concept
- Developing and piloting new Job Hazards Analysis process

- Implementing formal procedure for Safety Review Committee (SRC) review and approval of ES&H manual changes, resulting in 18 approved changes since September, 2006.
- Streamlining the Penetration (Dig) permit process
- Establishing the UCB/LBNL Research Collaboration Steering Committee
- UCB/LBNL laser safety training programs are now equivalent.
- Revising safety expectations used in Performance Review Document (PRD) for HEERA supervisors and managers
- Developing safety performance assessment process for non-HEERA Safety Line Managers
- Clarifying and articulating the hierarchy of ISMS documents
- Formalizing procedures for annual Work Smart Standards
- Developing methodology for reviewing effectiveness of assurance systems
- Developing and implementing ESH Technical Assurance Program and the Issues Management Program
- Developing mechanism for collecting and utilizing sub-contractor and vendor on-site safety record in the procurement process
- Completing HEAR database upgrade
- Developing an initial listing of locations and individuals performing LBNL-funded work in UCB spaces
- Developing and implement a process for assuring equivalent protection for LBNL-funded work at UCB

Such improvements represent a significant cultural shift, especially in Work Lead and Job Hazard Analysis implementation and LBNL will aggressively monitor the effectiveness of our ISMS CAP corrective actions in FY08.

**Performance Objective 5.3:** Provide Efficient and Effective Waste Management, Minimization, and Pollution Prevention

Objective 5.3 has two measures and the grade is A+ (4.1).

Measure	Grade	Numerical Score	Avg Numerical Score for Objective 5.3
5.3.1	A	4.0	
5.3.2	A+	4.2	
<b>Performance Objective 5.3 Total</b>			<b>4.1</b>

Note: All measures equally weighted.

**Performance Measure 5.3.1:** 75% of milestones to develop, implement, and maintain certification equivalence of an LBNL Performance-based Environmental Management System is achieved.

**Target Milestones:**

1. Review environmental aspects and impacts.
2. Determine the set of significant environmental aspects.
3. Revise existing Environmental Management Programs (EMPs) as needed, or develop new ones.
4. Complete internal annual assessment.

**Performance:** Grade is A (4.0). All target and one additional milestone was completed. Environmental aspects (activities or services that may produce a change to the environment) resulting from LBNL operations have been identified. The impacts associated with each aspect were identified and these aspects were then ranked according to environmental significance. Seven Environmental Management Programs (action plans) have been developed that summarize how the most significant impacts will be reduced, including target deadlines and personnel responsible for implementing the appropriate actions. In August, the Environmental Management System (EMS) program was assessed by the Office of Contract Assurance (OCA) and the DOE Oak Ridge Office to evaluate implementation of the EMS against the requirements of the EMS Plan and supporting procedures. These reviews determined that LBNL is properly implementing and maintaining its EMS, and achieved several EMP successes in FY07. Following the reviews, LBNL improved its process for formally closing EMPs and will revise the Management Review process in the EMS Plan.

**Performance Measure 5.3.2:** For designated projects, identification and implementation of waste minimization, emission reduction, and/or resource conservation opportunities.

**Target:** LBNL will select, evaluate, and implement two waste minimization, emission reduction, and/ or resource conservation projects.

**Performance:** Grade is A+ (4.2) based on the weighting agreement in the protocol. The total is 2.75 points.

- The Lab met or exceeded FY06 EMS goals:
  - Emissions of diesel particulate materials were reduced by 53% for stationary and 25% for mobile sources compared to the previous year. The goal was 5% for both.
  - Petroleum fuel use was reduced to 35% compared to 1999 levels. The goal was 20%.
  - Increased procurements of products with recycled content by an additional 53% compared to 2005. The goal was an additional 10%.

These accomplishments qualify as 1 project point.

- The Lab installed a wastewater treatment system at the Molecular Foundry. The installation cost was ~\$260K, which included ~\$200K for the double-walled piping between the sinks and the treatment system. Operation of the treatment system is planned for FY08. This project qualifies as 0.25 project points.

- The Lab was awarded LEED certification for the Molecular Foundry at the "Gold" level. The original design of the Foundry building was based on certification at a LEED "Silver" rating; however, the Lab was able to achieve the higher "Gold" rating for the building by implementing additional environmental measures. The higher rating qualifies as 1.25 project points,
- The Lab performed a comprehensive site-wide evaluation that identified potential energy conservation measures. This evaluation qualifies as 0.25 project points.

## **Other**

LBNL leadership continued its commitment and effort to improve and sustain excellent safety performance in support of LBNL's research and education mission, such as:

- The LBNL successfully transitioned use of Calvin Laboratory from DOE to UCB and the Energy Biosciences Institute. An agreement between UC and DOE formalizes the transfer of use from the Laboratory to UCB, while ensuring that DOE's obligations for ultimate decontamination and decommissioning remain intact. This agreement also embodies controls that limit DOE's liability for any contamination that may result from UCB use prior to decommissioning.
- LBNL implemented a process for reviewing 10CFR851 non-compliances with the DOE-BSO and reporting those that meet DOE reporting criteria to DOE-HQ using the DOE Non-Compliance Tracking System (NTS). LBNL participated in the pilot reporting system from January through April 2007 and a DOE-HQ official characterized our participation as "a model for the DOE complex."
- LBNL has also improved compliance in subcontractor safety oversight in FY07. In addition to revising Chapter 1 of PUB 3000 to define this requirement, the EH&S Division, in coordination with the LBNL Procurement Department, has published a "Guide for Onsite Subcontractor Safety Plans" that documents the process LBNL follows for reviewing subcontractor safety plans to ensure coordination and compliance by our subcontractors.
- LBNL made noteworthy improvements in addressing the final corrective action from a 2005 DOE Electrical Safety Assessment by re-baselining the entire electrical distribution system, including the development/revision of engineering drawings describing the electrical distribution system. The Lab labeled 100% of its electrical panels (over 2,000 panels) in compliance with NFPA National Electric Code and is performing an engineering analysis to quantify the electrical hazards for all electrical panels that pose risk above a certain threshold.
- Another significant improvement in managing electrical work hazards is a result of LBNL adopting a zero tolerance policy for working on energized electrical equipment, including any situation in which the worker has an electrical exposure, even if he/she is not actively working on the equipment. This newly implemented practice has nearly eliminated LBNL's incidence of shocks, and the results are dramatically illustrated in the Workers Comp claims paid statistics.
- For a second year, LBNL increased funding for ES&H programs to ensure adequate staff and resources are allocated to implement all of its programs. The EH&S Division received approximately \$2M of additional overhead funding. This increased budget allocation allowed EH&S to meet the newly implemented

10 CFR 851 Worker Safety and Health Program requirements, and to address corrective actions from both the ALS Shielding Control Investigation and the 2006 ISMS review. Significant resources have also been allocated to augment the Ergonomic staff and retain consultants from UCSF to support LBNL's ergonomics program. Some research divisions also increased their health and safety staffing. The Physics Division and the Advanced Light Source have hired seasoned safety professionals who have made immediate contributions to enhance the safety program performance of those Divisions.

- LBNL performed an effectiveness review of our penetration permit procedure. This new procedure was implemented due to a number of penetration permit violations back in 2006. Initial results are positive. LBNL has scheduled a subsequent review for mid-FY08, as several of the improvements were so new it was impossible to say that the current effectiveness of the program was adequate.
- LBNL implemented a proactive evaluation technique for construction safety, SafetyNet, which allows our construction safety engineer to collect both safe and at-risk safety conditions and behaviors observed on the job site. Since the beginning of this program in July 2007, over 1,700 observations have been recorded in this database with only 32 unsafe issues documented. The SafetyNet database is also available to the Procurement Department so they can review the previous safety performance of potential bidders. The DOE-BSO Management and Operations (M&O) Contracting Officer reviewed the SafetyNet program and commented that this should be considered a “noteworthy practice.”
- In early 2007, a number of fall protection related safety events occurred at LBNL. As a result of these events, LBNL carried out an extent of condition review for fall protection. The purpose of the extent of condition review was to determine the scope of the problem and its extent across an organization. LBNL combined this extent of condition review with a safety assessment of the fall protection program so that programmatic elements as well as field implementation would be evaluated, resulting in a more comprehensive program review. This combined extent of condition and safety program assessment was carried out by EH&S subject matter experts and by workers involved in this activity. The worker involvement in safety is essential to ensure that the best possible improvement opportunities are identified and to convey confidence to the field workers that they have an opportunity to contribute toward the development and improvement of safety programs that affect them. The result of this effort was a comprehensive assessment that produced a number of corrective actions. These corrective actions will be implemented in FY08 and LBNL intends to conduct an effectiveness review to ensure the desired improvements are in place.
- A significant project for LBNL was to manage the seismic safety issues in Building 71. Because of the complexity in managing a number of projects scheduled for Building 71 (seismic safety upgrades and building upgrades) a comprehensive Seismic Safety Risk Reduction Plan was developed to provide guidance to occupants and construction contractors who will be using the building to ensure that construction and science activities proceed with adequate seismic safety controls in place. LBNL assembled a multi-disciplined team to develop this complex plan including EH&S specialists, structural engineers and project

planners as well as building occupants and senior scientists that might be affected.

- In mid-2006, a number of machine guarding deficiencies were observed by DOE during an OSHA corrective action verification audit. As a result, LBNL conducted an extent of condition review including a root cause analysis. LBNL implemented a second major extent of condition review in 2007 to assess machine guarding. This project followed the model from the fall protection review and included a review of the machine guarding in shops safety program. In addition, worker involvement was solicited to build trust and ensure the most effective corrective actions were developed. The result of this assessment was being published in late September, 2007. LBNL believes the improvements identified in the corrective actions will significantly improve machine guarding safety at LBNL.
- Through the annual evaluation and analysis of workers' compensation cost as a percent of payroll in comparison with the percentage of payroll cost reported by a nationally recognized Cost of Risk Survey, LBNL demonstrated effective and efficient management of work-related injuries. In each of the key indicators profiled, the UC workers' compensation and safety management systems result in lower injury rates, lower costs per employee, lower litigation rates, and faster claims closure than a comparable educational system. LBNL benefits from the UC workers' compensation systems and the DOE-LBNL safety systems.
- LBNL enhanced its radiation safety program in some key areas. The Radiation Protection Group (RPG) updated the Lab's Radiation Protection Plan (RPP) to reflect current RPG work practices, policies, organization and responsibilities to ensure LBNL's compliance with all 10 CFR 835 elements. In order to maintain radiological facility status of the Pit Room, LBNL repackaged several radioactive material items stored within the Pit Room from the 2R containers to Type B shipping containers and overpacks. Lastly, the RPG developed a procedure that defines the institutional-level oversight of LBNL accelerators to assure compliance with DOE O 420.2B, *Safety of Accelerator Facilities* [referred to in this procedure as the Accelerator Safety Order (ASO)].
- LBNL successfully renewed its biennial DOE Laboratory Accreditation Program (DOELAP) accreditation for external dosimetry. DOELAP accreditation is mandated by 10CFR835 for all DOE dosimetry programs that include personnel that are expected to receive greater than 100 mR dose per year. The accreditation process is a comprehensive quality assurance and technical review of the entire dosimetry program designed to assure that the lab meets the exacting requirements specified in 10CFR835.
- LBNL implemented the Optically Stimulated Luminescence (OSL) external radiation dosimetry technology into routine operations. With OSL, the dose analysis of the dosimeter is a non-destructive process and can be repeated many times for verification in situations where unexpected results are found. The newly implemented technology lowers processing costs yet provides higher quality data, making LBNL the first DOE site to implement this technology with on-site processing.

- The Waste Management (WM) quality assurance activities in waste transportation received mention as a noteworthy practice in the DOE Packaging and Transportation Program assessment held in August 2007. These practices have been in place for many years and have resulted in no discrepancies or regulatory violations from either DOE or DOT.
- On July 13, 2007, DTSC approved Berkeley Lab's Corrective Measures Implementation Report. The Report establishes soil and groundwater remedial measures the Lab will implement for the next several years. An approved cleanup program demonstrates that LBNL has taken effective steps to address its historical environmental problems and supports environmental review documents for proposals for the continued use of hazardous materials and for development of additional programs using hazardous materials.
- On May 1, 2007, the California Air Resources Board (CARB) approved Berkeley Lab's application for a two year extension to continue Research and Development (R&D) testing at the building 76 E85 (85 percent ethanol, 15 percent gasoline) dispensing facility. The R&D site approval permits the use of non-CARB-certified E85 dispensing equipment, allowing the Laboratory to continue to use E85 fuel and meet the federal mandates for petroleum use reduction.

### **Attachments**

1. FY07 Environment, Safety & Health Gradients and Protocol

## **Evidence File**

### **Measure 5.1.1**

Injury log & Days away calculation

### **Measure 5.1.2**

Injury log & Injury hours calculation

### **Measure 5.1.3**

Department of Health Services, Medical Waste Management Annual Inspection Report, June 4, 2007

Department of Health Services, Medical Waste Management Annual Inspection Report – Potter Street, June 6, 2007

LBNL-WM Plan of Corrections Letter to Department of Health Services, June 25, 2007

Department of Toxic Substances Control, May 2006 (Report received in 2007)

### **Measure 5.1.4**

NTS—BSO-LBL-EHS-2007-004, Non Compliance Report of DOELAP Accreditation Incident, March 2007

### **Measure 5.2.1**

Web print out as of 9/30/07 JHQ training

### **Measure 5.2.2**

AHD Migration Rates Statistics download.

### **Measure 5.2.3**

Sign In Sheets for Work Lead Pilot Training for PBD Session 1

Sign In Sheets for Work Lead Pilot Training for PBD Session 2

Work Lead Outline Training 07/30/07

Development of Safety Core Competencies for Work Leads

Lesson Plan Work Lead Training (HEERA and non-HEERA) Pilot 08/07

Blank JHQ Questionnaire 08/30/07

### **Measure 5.2.4**

Final September 2007 ISMS CAP Status Summary as of 09/30/07

### **Measure 5.3.1**

EMS Internal Assessment Report, 2007

### **Measure 5.3.2**

US Green Building Council Molecular Foundry LEED Certification Approval Letter







***FY 2007 Environment, Safety, and Health  
Gradients and Protocol***

Background Information:

Contract No:

DE-AC02-05CH11231

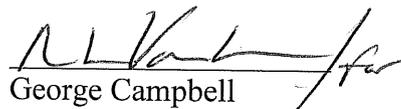
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Effective Approved Date: \_\_\_\_\_

Introduction

The Environment, Safety, and Health Functional Managers from the Lawrence Berkeley National Laboratory (LBNL), the Department of Energy (DOE), and the University of California Laboratory Operations (UCLO) have agreed to assess FY 2007 performance according to the methodology described in this document.

**Contract 31**  
**Section 5 Performance Measures**  
**Environment, Safety and Health**  
**FY07**

**5.0 Sustain Excellence and Enhance Effectiveness of Integrated Safety, Health and Environmental Protection**

**5.1 Provide a Work Environment that Protects Workers and the Environment**

In measuring the performance of this Objective, the DOE evaluator(s) shall consider the following:

- The success in meeting ES&H goals.

5.1.1 The Contractor's progress in achieving and maintaining "best-in-class" ES&H program performance, as measured by the days away, restricted or transferred (DART) case rate.

Target: DART rate is 0.25

Gradient:

A+	A	A-	B+	B	B-	C+	C	C-	D	F
<0.15	0.15-0.19	0.2-0.24	0.25	0.26-0.5	0.51-0.55	0.56-0.6	0.61-0.65	0.66-0.7	0.71-0.75	>0.76

5.1.2 The Contractor's progress in achieving and maintaining "best-in-class" ES&H program performance, as measured by the total recordable case rate (TRC).

Target: TRC rate is 0.65

Gradient:

A+	A	A-	B+	B	B-	C+	C	C-	D	F
<0.31	0.31-0.47	0.48-0.64	0.65	0.66-1.17	1.18-1.22	1.23-1.27	1.28-1.32	1.33-1.37	1.38-1.42	> 1.42

5.1.3 The scoring for environmental non-compliance issues relative to an internal control number.

Target: The scoring for environmental incidents (Notices of Violations and environmental releases exceeding regulatory reportable quantities) is at or below 3. Laboratory and DOE will apply a weighting factor to each environmental incident depending on severity, magnitude, and proactive nature of the work that may have resulted in the issue in accordance with the document "Weighting Factors for Environmental Incidents at LBNL". Severe incidents (for example, a penalty from an enforcement action in excess of \$100k) will result in the application of a weighting factor of 5, which results in a maximum letter grade of a "C" for the performance year.

Gradient:

A+	A	A-	B+	B	B-	C+	C	C-	D	F
0	1	2	3	3.5	4	4.5	5	5.5	6	> 6

5.1.4 The scoring of radiological incidents relative to an internal control number.

Target: The scoring for radiological incidents is at or below 3. Laboratory and DOE will apply a weighting factor to each radiological incident depending on severity, magnitude, and proactive nature of the work that may have resulted in the issue in accordance with the document "Weighting Factors for Radiological Incidents at LBNL". Due to the severity, a reportable occurrence categorized as a category 1 under Group 6 of the Occurrence Reporting and Processing System (ORPS) will be weighted 5.0, which results in a maximum letter grade of a "C" for the performance year.

Protocol: Radiological incidents are:

- Reportable occurrences categorized as significance category 2, 3, or 4 under Group 6 of the Occurrence Reporting and Processing System (ORPS).
- Reportable occurrences categorized as significance category 1 under Group 6 of the Occurrence Reporting and Processing System (ORPS) will be weighted 5.0.
- Items requiring entry in the Price-Anderson Amendments Act Non-Compliance Tracking System (PAAA NTS).
- Non-compliances that are reportable under ORPS and entered into PAAA NTS will only count as one issue.
- ORPS category 4 Spread of Radioactive Contamination occurrences are excluded from this measure. ORPS category 4 Personnel Contamination occurrences are weighted 0.5.

Gradient:

A+	A	A-	B+	B	B-	C+	C	C-	D	F
0	1	2	3	3.5	4	4.5	5	5.5	6	> 6

**5.2 Provide Efficient and Effective Implementation of Integrated Safety, Health and Environment Management**

In measuring the performance of this Objective, the DOE evaluator(s) shall consider the following:

- Demonstration of the commitment of leadership to strong ES&H performance
- The maintenance and appropriate utilization of hazard identification, prevention, and control processes/ activities; and
- The degree to which scientist and workers are involved and engaged in the ES&H program at the working level.

5.2.1 Complete required safety-related training per JHQ.

Target: 90% by 9/30/07.

Gradient:

A+	A	A-	B+	B	B-	C+	C	C-	D	F
98 - 100	95 - 97	91 - 94	90	85 - 89	80 - 84	75 - 79	70 - 74	65 - 69	60 - 64	< 60

5.2.2 Effectiveness of the process to identify, analyze, and categorize hazards associated with work

Target: Manage AHDs using the electronic AHD Management system. Complete established milestones on schedule.

Milestones:

1. Modify PUB-3000 to reflect that the electronic AHD management system is the location of record for active AHDs, and that all new AHDs and authorizations of existing AHDs must be processed through this system. Target date: October 30, 2006.
2. 10% of active AHDs are approved by all signatories through the electronic AHD management system. Target date: December 31, 2006.
3. 20% of active AHDs are approved by all signatories through the electronic AHD management system. Target date: March 31, 2007.
4. 50% of active AHDs are approved by all signatories through the electronic AHD management system. Target date: June 30, 2007.
5. 85% of active AHDs are approved by all signatories through the electronic AHD management system. Target date: September 30, 2007.

Protocol: For calculations, percent complete is the number of active AHDs authorized through the AHD database divided by the total number of active AHDs multiplied by 100. The total number of active AHDs is the sum of the active AHDs authorized through the AHD database and the number of Active AHDs that exist as a "hard copy" or as a Word version that have not yet been migrated over to the new system. Closed, Expired and Draft AHDs are not included in the calculations.

Gradient:

A range	B+	C range	D range	F
5 milestones	4 milestones	3 milestones	2 milestones	1 milestone

5.2.3 Improvement of line management accountability for enforcement of safety practices and procedures.

Target: Define safety management responsibilities for PIs, postdocs, and graduate students. Develop training to perform these responsibilities. Complete established milestones on schedule.

Milestones:

1. Define line safety management roles and responsibilities and submit the definitions for approval to Human Resources and the Safety Review Committee.  
Target Date: November 30, 2006.
2. Establish the need, scope, requirements of line manager safety oversight training.  
Target Date: February 28, 2007
3. Complete the development of training.  
Target Date: June 30, 2007
4. Begin training.  
Target Date: August 31, 2007

Gradient:

A range	B+	C range	D range	F
4 milestones	3 milestones	2 milestones	1 milestones	0 milestone

5.2.4 Leadership is committed to a pervasive safety culture, and strives for continuous safety performance improvement.

Target: Leadership is further strengthening LBNL's safety program through comprehensive implementation of the Corrective Action Plan for ISMS. All major activities scheduled for FY07 will be completed, integral with a strategy of continuous improvement.

90% (B+) completion of major activities scheduled to be completed by 9/30/07 in Integrated Safety Management System (ISMS) Evaluation Corrective Action Plan.

Gradient:

A	B+	B	C	D	F
100 - 91	90	89 - 80	79 - 70	69 - 60	< 59

Protocol:

1. BSO will verify implementation and appropriateness of major activities.
2. LBNL will provide monthly status report of major activities completion to BSO
3. BSO will provide feedback to LBNL within 60 days of LBNL notification of closure
4. BSO will review Baseline Change Proposals for concurrence when changes:
  - 1- Extend the Completion Date greater than 30 days beyond the established date OR
  - 2- Postpone the Completion Date until FY08.

### 5.3 Provide Efficient and Effective Waste Management, Minimization, and Pollution Prevention

In measuring the performance of this Objective, the DOE evaluator(s) shall consider the following:

- Environmental Management System implementation

- 5.3.1 75 % of milestones to develop, implement, and maintain certification equivalence of an LBNL Performance-based Environmental Management System are achieved.

Target milestones:

- 1) Review environmental aspects and impacts.
- 2) Determine the set of significant environmental aspects.
- 3) Revise existing Environmental Management Programs as needed, or develop new ones.
- 4) Complete internal annual assessment.

Gradient:

A	B+	C	D
Meet 4 target milestones	Meet 3 target milestones	Meet 2 target milestones	Meet 1 target milestones

- Success in waste minimization (low level, mixed low level, hazardous, and/ or sanitary waste), emission reduction, and/or resource conservation

- 5.3.2 For designated projects, identification and implementation of waste minimization, emission reduction, and/or resource conservation opportunities

Target: LBNL will select, evaluate, and implement two waste minimization, emission reduction, and/ or resource conservation projects.

Protocol:

By March 31, 2007, LBNL and BSO will jointly agree on the potential candidate projects and their respective potential point values with the understanding that several small projects may be grouped together and counted as one implemented project. Additional projects may be identified after March 31, 2007, and used for this performance measure. The examples of projects to be considered include: LEED building design and certification, sealing of ventilation ducts, cooling tower water treatment, procurement of environmentally friendly products, and reducing LBNL commute traffic. The number of implemented projects will determine the grade for this performance measure; however, evaluations completed during the performance year, but not implemented, may be used to achieve a higher score within the grade range.

Gradient:

A Range	B+	C Range	D Range	F
Implement more than two projects	Implement two projects	Implement one project	Initiate project implementation	No project Implemented





**Goal 6: *Deliver Efficient, Effective, and Responsive Business Systems and Resources that Enable the Successful Achievement of the Laboratory Mission(s)***

*The Contractor sustains and enhances core business systems that provide efficient and effective support to Laboratory programs and its mission(s).*

The weight of this goal is 25%.

The contractor provides business systems that efficiently and effectively support the overall mission of the Laboratory. The goal shall measure the Contractor's overall success in deploying, implementing, and improving integrated business systems that efficiently and effectively support the mission(s) of the Laboratory.

**Executive Summary**

The FY 2007 performance score for the Business Systems Performance Goal 6 is 4.1 (A+). Business Systems includes: Financial Management; Acquisition and Property Management; Human Resources Management; Internal Audit and Information Management; and Technology Transfer and Commercialization of Intellectual Assets.

Financial Management achieved a score of 4.2 (A+). A summary of performance in the area of effective financial management is included in Attachment 1 – *FY 2007 Financial Management Balanced Scorecard Report*. Several strategies were implemented throughout the year by the Office of the CFO (OCFO) to strengthen controls, accountability, and effective financial management practices.

Procurement and Property Management achieved a score of 4.0 (A) using the *FY 2007 Acquisition and Property Management Systems Balanced Scorecard Model Index Plan*. Performance summaries are provided in Attachment 5 - *Fiscal Year 2007 Appendix B Procurement Balanced Scorecard Report* and Attachment 6 - *Fiscal Year 2007 Appendix B Property Management Balanced Scorecard Report*.

LBNL participated in the University of California Office of the President's pilot for HR Accreditation. A preliminary and formal self-assessment against a comprehensive set of six standards was performed. An independent Peer Review was performed in May 2007 to validate LBNL's self-assessment, which determined that LBNL achieved full certification in three standards. This enabled LBNL to achieve a score of 4.2 (A+).

Internal Audit Services (IAS) had a particularly productive year, and exceeded all of the performance goals established for FY 2007. IAS' performance in the areas of customer feedback, internal business processes, finances and learning and growth was exceptional this year and achieved a score of 4.1 (A+).

The Information Technology (IT) infrastructure continued to operate in a manner that serves the scientific mission, and improved operational efficiency and effectiveness. IT support of Lab-wide systems included roll-out and expansion of eBuy, improvements to the sunflower asset management system, and a major upgrade to the Human Resources

Information System. Network connectivity was improved, as was the Lab's connection to ESnet. These noteworthy improvements, among others, earned a score of 4.0 (A).

LBNL substantially exceeded performance goals for timely disclosure of all new inventions and deployment of intellectual property income. LBNL reported 100% of invention disclosures to DOE within 60 days and obtained more than \$3.2 million of income. The number of invention disclosures and amount of intellectual property income exceeded FY06 performance. The achieved score is 4.3 (A+).

### Noteworthy Practices

Funds control is a fundamental aspect of financial management. Phase I (Funds Database) of the new Laboratory Budget System was implemented with the completion of parallel testing in June 2007. The new Budget System is capable of producing current status reports to assist in mitigating errors and maintaining integrated controls for effectively managing funds.

Self-assessment is a recognized best practice that, when applied to risks and controls, is a flexible management tool that drives the "tone at the top" down to the process owners by reinforcing their responsibility and accountability for internal control and other risk areas. The Office of the Chief Financial Officer initiated a formal Self Assessment Program this year to assess practices, mitigate risk, provide assurance, and identify opportunities for improvement. The self assessments results, particularly where efficiencies and improvements are identified, are reported upward to ensure follow-up actions are taken where necessary.

The supply chain initiative of the Office of the Chief Financial Officer has made significant progress this fiscal year. Following the successful Laboratory-wide deployment of the Laboratory's first eBuy commodity in FY 2006, four additional major commodities have been added in FY 2007 – industrial supplies; computer peripherals; electronic supplies; and desktop computers. Additionally, a sixth strategic commodity that encompasses multiple suppliers through an enhanced eCommerce process – laboratory supplies -- is on the verge of completing pilot testing and will be deployed in October. The fiscal year saw 18,506 transactions with strategic sourcing vendors contributing to in excess of \$7M in overall cost savings towards the ultimate \$30M commitment

### Opportunities for Improvement

Opportunities for improvement have been identified in the procurement through invoice payment cycle that affects invoice processing, cycle times and recognition of liabilities. A formal project proposal has been reviewed and accepted by the CFO. The project will address increasing efficiencies in cycle times and reducing the cost of processing invoices at LBNL. It will also streamline processes, increase visibility and maximize automation as well as improve financial reporting by eliminating unrecorded liabilities.

**Goal Score**

<b>ELEMENT</b>	<b>Numerical Score</b>	<b>Objective Weight</b>	<b>Weighted Score</b>	<b>Total Points</b>
<b>6 Deliver Efficient, Effective, and Responsive Business Systems and Resources that Enable the Successful Achievement of the Laboratory Mission(s)</b>				
6.1 Provide an Efficient, Effective, and Responsive Financial Management System(s).	4.2	30%	1.26	
6.2 Provide an Efficient, Effective, and Responsive Acquisition and Property Management System(s)	4.0	30%	1.20	
6.3 Provide an Efficient, Effective, and Responsive Human Resources Management System and Diversity Program	4.2	20%	0.84	
6.4 Provide Efficient, Effective, and Responsive Management Systems for Internal Audit and Oversight, Quality; Information Management; and Other Administrative Support Services as Appropriate	4.2	10%	0.42	
6.5 Demonstrate Effective Transfer of Technology and Commercialization of Intellectual Assets	4.3	10%	0.43	
<b>Performance Goal 6.0 Total</b>				<b>4.1</b>

**Performance Evaluation:**

**Performance Objective 6.1:** Provide an Efficient, Effective, and Responsive Financial Management System

Objective 6.1 has one measure and the grade is A+ (4.2).

**Performance Measure 6.1.1:** The Laboratory will present data and analysis demonstrating the Laboratory’s success in meeting Financial Management goals and

expectations using the Laboratory's Balanced Scorecard Model Index approved by the DOE BSO.

**Target:** Achieve a score of 86.8% or better on the Balanced Scorecard Model Index.

**Performance:** Grade is A+ (4.2). The Laboratory's performance in the areas identified in Attachment 1 – *FY 2007 Financial Management Balanced Scorecard Report* is 98.56%.

Attachment 2 – *FY 2007 Appendix B Fiscal Year End Results* provides statements of performance in each measure including data and analysis that supports the Laboratory's goals and expectations in Financial Management.

### ***Internal Controls***

As funds control is a fundamental aspect of financial management, efforts continued this year to develop and improve systematic methods to manage funds effectively. Phase I (Funds Database) of the new Laboratory Budget System was implemented with the completion of parallel testing. System functionality and reporting was rolled out to users in FY 2007. The new Budget System has the capability of producing current status reports to assist in mitigating errors and maintaining integrated controls for effectively managing funds. A planning module is also included which will assist with effective projections and early corrective actions. A system-generated status report and a closing follow-up report were also employed as a means to implement internal controls this year.

As results of an internal review, certain unrecognized costs were self-identified that related to prior years (FY03 – FY06). The Laboratory did not accrue labor costs in a timely manner, resulting in a project overcosting of \$336K. While this did *not* occur at the 9-digit B&R level, a point deduction was taken for the unallowable cost to UC. This was recognized as an opportunity for improvement and the Laboratory subsequently implemented several key corrective actions to avoid potential overcosting issues in the future such as mandatory funds control training, early reporting of costs and projections with variances researched, reporting potential issues to the Division Director, and the establishment of a core team to address lessons learned, process improvements and future training.

The Laboratory continued its efforts to ensure timely submission of DOE reports this year. All but one of the 68 reports due were submitted by the established due date.

Continued awareness, funds control training and process controls resulted in costs remaining within B&R Obligational Control Levels (OCL) for DOE direct funding at the end of each monthly accounting period this year.

As a result of audits conducted throughout the year, 100% (78 out of 78) of the corrective actions were completed by the established targeted due date. The

Laboratory's Corrective Action Tracking System (CATS) was an effective method of monitoring progress through completion.

Active balance sheet account reconciliations were tracked and monitored on a monthly basis. Through the end of the fiscal year, 97.5% of all accounts were reconciled on time in accordance with Laboratory policy. Approximately 250 reconciliations were completed each month. This included one travel account with a history of ongoing reconciliation issues that involved a large number of transactions. Though concerted efforts, this was subsequently resolved this year.

The Laboratory continued its efforts to ensure timely submission of DOE reports. All but one of the 68 reports due were submitted by the established due date.

The OCFO developed a policy review schedule to ensure each policy is compliant with Contract 31, applicable laws and regulations and Laboratory business practices. All 23 scheduled policies were reviewed and appropriate changes were made as applicable.

### ***Self Assessment Program***

A Self Assessment Program was initiated this year to assess practices, mitigate risk, provide assurance, and identify opportunities for improvement. Three high risk areas were selected for assessment:

- Funds Control
- Time Reporting
- Labor Resource Adjustments

The self assessments and final summary reports with the results of the analyses were completed. Efficiencies, as well as suggested improvements, were identified. Corrective actions were entered into CATS for tracking through completion. The Self Assessment Program was a valuable process that the Laboratory will continue to employ in the future.

### ***Training***

Financial training continued to receive focus and support in FY 2007. A Strategic Training Plan was developed and ten customized core financial training modules were developed and provided to IT Division management and key business contacts with positive responses. In addition, mandatory Funds Control training was provided to approximately 60 employees, which included all Resource Analysts.

### ***OMB Circular A-123***

The Laboratory was effective in complying with OMB Circular A-123 control requirements in FY 2007. All status reports, DOE deadlines and deliverables were met on time. Internal processes and controls in most of the moderate and low risk

areas, as required, were tested and evaluated. It was determined that controls were operating effectively with no material weaknesses.

**Performance Objective 6.2:** Provide an Efficient, Effective, and Responsive Acquisition and Property Management System(s)

Objective 6.2 has one measure and the grade is A (4.0).

Section	Grade	Numerical Score	Avg Numerical Score for Objective 6.2
Procurement	A+	4.1	
Property Management	A	3.8	
<b>Performance Objective 6.2 Total</b>			<b>4.0</b>

Note: sections equally weighted.

The Laboratory Procurement and Property Management organizations have assessed performance in the areas identified in Attachment 3 – *FY 2007 Acquisition and Property Management Systems Balanced Scorecard Model Index Plans*, dated April 2007. A report for each function is attached providing the data and analysis supporting the scores earned for each activity measured.

- Attachment 4 – *Fiscal Year 2007 Appendix B Procurement Balanced Scorecard Report*
- Attachment 5 – *Fiscal Year 2007 Appendix B Property Management Balanced Scorecard Report*

**Performance Measure 6.2.1:** The Laboratory will present data and analysis demonstrating their success in meeting Acquisition and Property Management objectives and expectations using the Laboratory's Balanced Scorecard Model Index approved by the DOE BSO.

**Acquisition**

**Target:** Achieve a score of 86.8% or better on the Procurement Balanced Scorecard Plan.

**Performance:** Grade is A+ (4.1). Based on the results achieved under the *FY 2007 Appendix B, Procurement Balanced Scorecard Plan*, Procurement earned 97.0 of the 100 of points (97.0%) available under the model. The FY 2007 target of 86.8% was exceeded.

**Customer Perspective**

The Procurement and Property Management Department (P&PM) established a Procurement Liaisons Program this year. Liaison contacts in Procurement have been identified for each Laboratory Division and for 15 subject areas. Liaisons are available to assist divisions with: strategic planning of acquisition workload,

development of contract strategies for critical and high-value procurements, resolving project-related issues, questions on policies and procedures, and resolving questions and problems regarding procedures and requirements related to subject matter. A total of 234 contacts were received by Liaisons through the third quarter of this fiscal year.

The Procurement and Property Manager and Deputy Procurement Manager lead the Procurement and Supply Chain Steering Committee that was formed during FY 2006. This fiscal year the Committee continued to provide effective strategic planning and operational oversight on procurement matters including supply chain program implementations, and served to ensure divisional procurement needs and concerns are addressed.

Surveys were sent to 70 internal customers to obtain their feedback on the services provided by Procurement related to a specific purchase transaction. When asked to rate their overall satisfaction with the services received for the procurement, 48 of the 52 customers who responded stated that, overall, they were “Highly Satisfied” or “Satisfied”. A Customer Satisfaction score of 92.3% was achieved.

### ***Internal Business Processes***

The Procurement organization continued the program established in FY 2005 of conducting Procurement System Evaluations to measure the effectiveness of its purchasing system and internal controls to ensure compliance with applicable contractual, statutory, regulatory, policy, and procedural requirements. Scoring for the System Self-Assessment Program measure is based on the average file scores from the two random sample post-award reviews conducted this year. The scores achieved from the Subcontract Administration and High Value Subcontract reviews were respectively 99.5 and 97.1 out of 100. The average file score from each review is multiplied by its ratio to the number of transaction samples and then added together for an overall score. The resulting score was 98.3 out of 100.

For the third year, Laboratory Key Supplier performance was assessed in four areas: Quality of Work, Timeliness of Performance, Cost Control, and Business Relations. The average Key Supplier rating of 3.98 achieved was slightly higher than last year’s 3.77 rating.

The Laboratory exceeded all targets established for measuring efficiency gains. The areas measured included: use of effective competition for awards over \$100K, use of rapid purchasing techniques, and average award cycle times.

The percentage of dollars awarded by the Laboratory to small businesses exceeded goals in three of the six socioeconomic concern categories:

- 46.07% of procurements were awarded to Small Business (SB), exceeding the FY07 goal of 41.3%. The FY07 performance is a 2.65% increase over the FY06 total.

- 8.53% of procurements were awarded to Small Disadvantaged Business (SDB), exceeding the FY07 goal of 6.3%. The FY07 performance is a 1.21% increase over the FY06 total.
- 2.52% of procurements were awarded to Veteran-Owned Small Business (VOSB), exceeding the FY07 goal of 1.0%. The FY07 performance is a 1.18% increase over the FY06 total.

In addition, 10.7% of procurements were awarded to Service-Disabled Veteran-Owned Small Business (SDVOSB) result of 1.07%, just short of the FY07 goal of 1.3%. However, this performance was 0.74% over the FY 2006 result. Obligations to Small Business Administration (SBA) Section 8(a) Program or 8(a) contractors were \$4.7M in FY 2007 (2.72% of the purchasing base) compared to \$3.1M in FY 2006 (1.53% of the purchasing base).

Four new strategic sourcing contracts placed with small businesses and the numerous small business outreach activities conducted by the Small Business and Supplier Management Office throughout the year contributed to these outstanding results.

### ***Learning and Growth***

Procurement employees were surveyed again this year to obtain their feedback on topics relating to workload; quality of work environment; having the tools, materials, and equipment to do their job and work safely; communications; openness to innovation; and ethics. The Procurement Employee Advisory Council administered the survey process. Forty-nine survey questionnaires were distributed and 47 responses were received; a 95.9% response rate. This is a significant improvement over the FY 2006 response rate of 58.8%. The average score representing the 12 questions for 42 of the employees was equal to “3” or higher and is considered “Satisfied”. The 89.4% employee satisfaction result (42/47) was 9.4% higher than that achieved in FY 2006.

FY 2007 was the first year of deployment of the Procurement Training Plan. The approach was systematic, fully deployed, and used as a key management tool. The training program was comprehensive, covering a diverse range of topics and was executed throughout the fiscal year. Improvement to the acquisition process was assessed as a component Procurement System Self-Assessment Program. Results from Group Manager supervisory and judgmental sample reviews were analyzed and additional training was provided to Procurement staff in a Group Meeting format or on a one-on-one basis, as needed during the year. In addition, results of Procurement self-assessment reviews and Internal Audits were considered in the selection of training topics for FY 2008.

The impact of the training provided this fiscal year is beginning to show results but cannot be fully recognized until next year at which time Procurement will be able to detect weaknesses and gaps in the program as further self-assessment activities are completed. While we believe that this training program has been deployed without significant weaknesses or gaps, success will not be evident until well into FY 2008.

### ***Financial Perspective***

The Laboratory's procurement cost-to-spend a dollar was 2.33%. This ratio is well below the < 2.75% target established for FY 2007 and is the same as the Data Year 2006 Center for Advanced Purchasing Studies (CAPS) mean benchmark of 2.33% for DOE/NNSA Contractors.

### **Property Management**

**Target:** Achieve a score of 86.8% or better on the Property Management Balanced Scorecard Model Index.

**Performance:** Grade is A (3.8). Based on the results achieved under the *FY 2007 Appendix B, Property Management Balanced Scorecard Model Index Plan*, the Property Management organization earned 93.5 of the 100 points (93.5%) available under the model. The FY 2007 target of 86.8% was exceeded.

### ***Customer Perspective***

Two different approaches are utilized by Property Management to measure customer satisfaction. Both approaches focus on Timeliness, Quality and Partnership. A web based survey is available to External Customers, defined as any employee not a Property Representative or Property Coordinator. The Property Management Advisory Board conducts an independent survey of Internal Customers, defined as Property Representatives and Coordinators. The Board scores the survey and provides the results to the Property Manager. Both surveys target 80% as the level of customer satisfaction to be achieved. A Customer Satisfaction rating of 85% was calculated from the External Customer survey and the Internal Customer survey scored at 83%.

As part of the Customer Perspective, Property Management, tests the accuracy of property assignments and whether or not the custodian was in agreement with the assignment. A random sample of property assets is selected and the custodians contacted. The target for this measure is 98%. The result was a 100% score for custodians of sensitive assets and a 98% score for custodians of equipment assets.

### ***Internal Business Processes***

The Laboratory achieved excellent results from the 2007 Wall-to-Wall Inventory of Sensitive Property and Equipment. Inventory find rates were 99.3% by item count and 99.7% by dollar value. These high marks viewed from the perspective that 94.4% of all assets were barcode scanned, leaving no doubt as to the discipline and rigor employed during the process, drew written compliments from the Site Office Contracting Officer.

As the result of a review on vehicle utilization conducted by the Office of the Inspector general in FY 2006, the Laboratory has restructured local use objectives for its vehicle fleet. Trip criteria has been developed, new database designed and tested. The new criteria was put in place and data gathering began in June. The period July

through September saw testing and evaluation of results, with the new program fully operational on October 1.

The declaration of unneeded assets as Excess and the timely processing of them through disposal received substantial visibility during the fiscal year. The Department of Energy's target for FY 2007 was to process 2,217 assets, representing an increase of 8% over the number processed through disposal in FY 2006. Two dedicated clean up efforts; one focused on old ADP equipment and one a general house cleaning effort augmented the Laboratory's normal disposal process such that 2,517 assets went through disposal process.

### ***Learning and Growth***

The continued development of Property Management staff, both those in the core and those functioning at the division level as Representatives and Coordinators continues to be a priority. Short, casual training sessions addressing a variety of property topics are a part of our monthly Property Representative meetings. Formal, scheduled training was conducted for all Property Representatives, Coordinators and core Property Group staff on utilizing our Sunflower Database in July.

### ***Financial Perspective***

Property Management continued reviews of Loans, Borrows and Off Site Controls initiated in FY 2006 with a focus on improving efficiencies. The areas of Walk Through Program, Asset Creation and Transfers were added to the list in FY 2007. Reviews will be completed in 2008 and process changes implemented resulting in improved, more efficient processes.

A Property Management Improvement Project started in FY 2006 has seen substantial progress toward implementation. A formal plan and schedule was developed and briefed to management. Divisional input was received and where appropriate incorporated into the plan. Key property management processes have been mapped in their "as is" state as well as being mapped in a "to be" state, reflecting recommended improvements and checks and balances. Roles and responsibilities have been defined, and training material developed. A pilot effort is currently in the planning stage with roll out expected in the first quarter of FY 2008.

## **Performance Objective 6.3: Provide an Efficient, Effective, and Responsive Human Resources Management System**

Objective 6.3 has one measure and the grade is A+ (4.2).

**Performance Measure 6.3.1:** The Laboratory will participate in the HR Accreditation Pilot Self-Assessment Process in order to demonstrate its success in achieving an effective Human Resources Management System.

Both the preliminary and formal self-assessments will occur in the six following Areas:

1. HR Strategic Management
2. HR Operations and Program Assurance
3. Employment and Talent Management
4. Total Compensation and Benefits
5. Training and Development
6. Work Environment and Employee/Labor Relations

The preliminary self-assessment has three primary purposes:

1. Test the validity of the proposed standards and the practicality of the self-assessment process.
2. Compare current HR operations with the proposed standards and to identify functional areas needing improvement to bring operations in line with the standards.
3. Identify data gaps and other information shortcomings which limit or preclude required assessment.

**Target:** Achievement of the following will demonstrate “B+” level of performance:

The performance level is determined by the number of **Areas** having completed certain **Tasks**. See the next page for the listing of **Tasks**. The table below details the grading approach.

Range of Targets, from “A” to “F”\*:

Performance Level	Preliminary	Formal		
	Tasks 1-6	Tasks 1-4	Task 5	Task 6
“A”	6 of 6 areas	5 of 6 areas	3 of 6 areas	1 of 6 areas
<b>“B+”</b>	<b>6 of 6 areas</b>	<b>3 of 6 areas</b>	<b>2 of 6 areas</b>	<b>0 of 6 areas</b>
“C”	5 of 6 areas	2 of 6 areas	1 of 6 areas	0 of 6 areas
“D”	4 of 6 areas	1 of 6 areas	0 of 6 areas	0 of 6 areas
“F”	3 of 6 areas	0 of 6 areas	0 of 6 areas	0 of 6 areas

\*Qualifiers of “+” and “-“ will be assigned as needed at evaluation to further distinguish performance.

The following **Tasks** will be conducted for the preliminary self-assessment by January 31, 2007, and for the formal self-assessment by September 30, 2007:

1. A plan will be developed for conducting the assessment, including data to be gathered, persons to be interviewed, and the assessment timetable.
2. The assessment team will be identified.
3. The assessment team will use the Assessor Guide to gather information necessary to reach conclusions regarding compliance with the Accreditation Standards.
4. The assessment team will analyze the available data and reach conclusions. The team will identify areas where conclusions cannot be reached.

5. The team will summarize its findings; suggest revisions to the proposed standards, the assessor guide, and the self-assessment process.
6. The team will recommend follow-up actions needed to bring us into compliance with the standards.

**Performance:** For the preliminary self-assessment we completed all six **Tasks** for all six **Areas** before January 31, 2007. For the formal self-assessment we also completed all six **Tasks** for all six **Areas** before September 30, 2007. These results far exceeded the target achievements set forth in the Range of Targets noted above. A comparison of the Targets that were planned versus achieved is provided in the following table.

<b>Performance Level for “A” Grade</b>	<b>Preliminary</b>	<b>Formal</b>		
	<b>Tasks 1-6</b>	<b>Tasks 1-4</b>	<b>Task 5</b>	<b>Task 6</b>
Planned	6 of 6 areas	5 of 6 areas	3 of 6 areas	1 of 6 areas
Achieved	6 of 6 areas	6 of 6 areas	6 of 6 areas	6 of 6 areas

The Range of Targets were developed with the expectation that substantial progress toward completing a rigorous self-assessment would be realized, e.g., fully complete the Preliminary Self Assessment and complete five Areas for Tasks 1 through 4, three Areas for Task 5, and one Area for Task 6. At the beginning of the performance period, it was uncertain as to whether a Peer Review would occur because of the challenges, beyond the Laboratory’s control, that needed to be overcome in finalizing Standards and an Assessor Guide for the Accreditation Pilot as a whole. Fortunately, the Pilot Standards and Assessor Guide were successfully formulated on an aggressive schedule, thanks in large part to the contributions of LBNL HR management and staff, and the Peer Reviews were actually conducted this year. This required the LBNL HR organization to invest heavily in performing the preliminary and formal self-assessments and, through their hard work and extra effort, completed all Tasks for all Areas. Our formal self-assessment was reviewed by an independent Peer Review team to validate our assessment.

The Peer Review concluded that “HR has the leadership team, plan, and elements in place to ensure that the Lab has the right leadership and professional talent in the organization to ensure mission accomplishment.”

The Peer Review team determined that the Lab is fully certified in three of the six Areas: HR Operations and Program Assurance, Total Compensation and Benefits, and Work Environment and Employee/Labor Relations. Certification in these areas indicates that LBNL has all the necessary fundamental and quality assurance aspects of a well-run HR function in place.

In addition to being fully certified in these three areas, the Laboratory was cited for two best practices: having a Certified Compensation Program and developing and deploying the HR Center model for providing HR support to the Laboratory.

The Peer Review team expressed the opinion that we had an excellent start on gaining full certification in the remaining three areas: HR Strategic Management, Employment and Talent Management, and Training and Development. While areas of improvement were identified to help us reach full certification, the Peer Review Team did not identify any adverse conditions (i.e. findings of serious shortcomings requiring significant improvement to meet requirements) in the six areas that were reviewed. In order to address these opportunities for improvement, we are now in the process of refining a 3-Year HR Strategic Plan, which will move us forward in achieving certification in these remaining three standards, as well as further enhance overall operations.

**Performance Objective 6.4:** Provide Efficient, Effective, and Responsive Management Systems for Internal Audit and Oversight; Quality; Information Management; and Other Administrative Support Services as Appropriate.

Objective 6.4 has five measures and the grade is 4.2 (A+).

Measure	Grade	Numerical Score	Weight (points)	Weighted Score	Numerical Score for Objective 6.4
6.4.1	A-	3.7	.08	.30	
6.4.2	A+	4.3	.48	2.06	
6.4.3	A+	4.3	.12	.52	
6.4.4	A+	4.3	.12	.52	
6.4.5	A	4.0	.20	.80	
<b>Performance Objective 6.4 Total</b>					4.2

**Performance Measure 6.4.1:** Customer Perspective- Internal Audit will be measured on the deployment of an efficient and effective process for obtaining customer feedback and development of baselines for measuring customer satisfaction improvement in future years.

**Target:** Internal Audit will deploy customer satisfaction surveys for both internal and external customers. IAS will develop a methodology for scoring customer feedback, and determine baselines for development of scoring gradients for use in FY 2008.

**Performance:** Grade is A- (3.7). IAS met this target, deploying internal and external customer surveys for all audits issued from the FY2007 Audit Plan. Feedback from surveys was analyzed by IAS staff and management and discussed with customers as appropriate. A scoring gradient was developed for FY 2008 based on performance of

activities to ensure that surveys are conducted for each audit and customer feedback is addressed appropriately.

**Performance Measure 6.4.2:** Internal Business Processes- Internal Audit will plan for and conduct audits of core business functions as approved by the LBNL Audit Committee, DOE Chicago, and UCOP Audit Management.

**Target:** Internal Audit will complete 100% of LBNL Audit Committee, DOE, and UCOP audit management expectations. Management's stated expectation is that IAS will complete 80% of the audit plan.

To remain consistent with University of California audit guidelines, audits will be considered complete when a final draft is issued to management.

**Performance:** Grade is A+ (4.3). Internal Audit issued reports (draft or final) for 11, or 100 percent, of the 11 planned audits during FY 2007. Management's original expectation was that IAS complete 80% of the audit plan, or approximately 8 audits. Thus, a score of an A+ is warranted given the 11 total audits completed. The following planned audits have been completed:

- FY2006 Follow Up
- Payroll
- Cost Allowability (FY 2005B & 2006)
- Executive Compensation (UC-wide)
- Director's Administrative Fund
- Small Construction Projects
- Purchasing Processes
- Logical Security
- Meal Costs
- Recharges
- Travel

B. Internal Audit will incorporate efficiency and/or effectiveness recommendations into audits where appropriate.

**Target:** IAS will issue at least three recommendations for improving the efficiency of Laboratory operations.

**Performance:** Grade is A+ (4.3). Internal Audit issued eight efficiency and/or effectiveness recommendations in FY2007 resulting from four audits.

**Performance Measure 6.4.3:** Financial Perspective - Internal Audit staff will spend an appropriate level of hours directly on audits, advisory services and investigations in accordance with standards developed by UCOP Audit Management and approved by the LBNL Audit Committee.

**Target:** Internal Audit will report quarterly on direct and indirect hours spent by Internal Audit Staff. The percentage of direct hours will be no more than 5 percentage points below the percentage included on the approved annual audit plan; averaged over the course of the fiscal year.

Hours are calculated by taking the number of employee hours available per quarter, with sick, vacation, holiday and other leave hours excluded from that total. Direct hours include hours spent on audits, advisory services, investigations, external audit coordination, quality assurance, and system-wide development projects. Indirect hours include time spent on administration, professional development, staff meetings, etc.

**Performance:** Grade is A+ (4.3). IAS direct hours accounted for 89.4% of staff time for FY 2007. Planned direct hours were 88.2%. Achieving a percentage of direct hours close to the plan is optimal because this represents that staff hours are spent appropriately not only on direct audit activities, but on indirect activities such as professional development, which is required to maintain professional certifications (see measure 6.6.4).

**Performance Measure 6.4.4:** Learning and Growth Perspective- Internal Audit will be assessed on the percentage of professional staff that complete the training hours required to maintain credentials/certification.

**Target:** No more than one of the professional staff will not complete the required continuing professional education (CPE) hours to maintain at least one professional credential/certification. Final certification determinations are made by the certifying agency. If any staff member is not recertified by the appropriate agency, no partial credit will be given for training hours completed.

**Performance:** Grade is A+ (4.3). All staff completed at least the required CPE hours for maintaining these certifications for their last reporting periods and have completed or have planned training which will result in sufficient progress for current reporting periods.

Each staff member reports continuing professional education (CPE) hours required for professional certifications on different cycles as prescribed by the various certifying organizations. Staff professional certifications include Certified Public Accountant (CPA), Certified Internal Auditor (CIA), and Certified Information Systems Auditor (CISA).

**Performance Measure 6.4.5:** LBNL utilizes IT to provide an efficient and productive environment for science and operations, including records management, report coordination, collaboration services, network operations, workstation management, plant operations, business applications, and general and scientific-support IT operations.

**Target:** LBNL operates an IT environment that enables productive science and operations.

**Performance:** Grade is A (4.0). In FY 2007, the University continued to operate and improve the IT infrastructure of Berkeley Lab in a manner which serves the scientific mission and improves operational efficiency and effectiveness. IT underlies modern research and the University has invested to ensure Berkeley Lab's infrastructure remains cutting edge with regards to its computing, networking, and information management capabilities.

During FY07, IT Division undertook a substantial user survey designed to baseline the scientific and operational divisions' use and perception of the central IT services as well as help inform strategic improvements in the short and medium term. The survey, conducted by an independent firm, included a returned sample size of 1383 staff, composed of 33% researchers, 25% students and postdocs, and 40% operations staff. The survey indicated generally high levels of satisfaction with IT services, with particularly high ratings for the help desk, email reliability and spam blocking, the cyber security program, and cluster support. Areas for improvement tracked with known issues. Cost of email storage was the number one concern (which was fixed on the first day of the FY08 performance period by moving it to overhead funding). Other areas for improvement included library resources, where efforts have been underway to modernize offerings.

One of the roles of IT Division is to support and manage the Laboratory's business applications for the functional owners (CFO, HR, EHS, etc). This means that IT underlies many of the other aspects of the Laboratory's performance measures. This performance period included the Lab-wide rollout and expansion of ebuy (Procurement), substantial improvements to the sunflower asset management system (Property), and a major upgrade to the Human Resources Information System (HRIS). Maximo, which supports Facilities, was also improved with new functionality for tracking work requests and managing excess materials. In addition, over fifty IT and functional staff attended IT sponsored project management classes to support revamped project management standards for major IT projects.

A number of developments are also underway or recently completed in collaboration services. The Lab-wide wiki collaborative authoring platform was deployed, which supports key information for customers of both IT and OCFO, as well as additional lab projects. This platform enables more effective self-service user support, including user-generated help information. Email service costs were substantially reduced during FY07, continuing a two year trend (See 4.2.5). In addition, improvements in spam and virus blocking that also resulted in management efficiencies were fully deployed, leading to both enhanced security for Lab mail users and improved productivity for email system administrators.

Efforts to enhance end user's workstation productivity also continued in FY07. The newly built software download site enables immediate purchase of popular software titles while ensuring use of negotiated license agreements and license tracking. This functionality both improves end user productivity and decreases the costs of software

to the institution. IT also began to replace its aging Novell file services with Xythos, an open standards (Webdav) based file store. The product is currently being tested by 100 users and is scheduled for full production in second quarter of FY08.

Efforts to improve library service were also completed in FY07. A major analysis of online journal availability cross-walked to physical backfiles allowed for a 45% reduction in physical backfiles. This, together with remodeling of the Main Library, yielded 2500 square feet that will be repurposed for research space. Major development of a new online report submission system was also completed in FY07, with a target FY08 rollout. When complete, this will improve the ability of LBNL to provide timely information about new reports to OSTI while improving access to our research products. Finally, a retrospective card catalog conversion was completed, which allows online access to older LBNL reports and sources and prepares LBNL for further improvements in its online library presence in FY08.

The network underlies much of the science done at LBNL and improvements to it were also completed in FY08. Connectivity to twenty buildings was improved through the replacement of end of life switches, while the Lab's connection to ESnet was upgraded to ten Gigabits, providing increased throughput and better latency performance. This upgrade enables LBNL to deliver large data streams such as those expected to come from the CERN LHC project. The upgrade included substantial collaboration with the cyber security program (see 8.2). Sixty-six Wireless Access Points were upgraded during the performance period, allowing for better security and better accessibility to wireless internet across the site. The Lab's telephone services also generated cost reductions during the year, continuing a four year trend. Cell phone users were shifted to newly negotiated plans, resulting in lowered cell phone costs, while general costs for telephone services were reduced year over year.

The Lab's Scientific Cluster Support program, which assists researchers in managing large mid to high range computing systems continued to expand; it now manages a total of 30 clusters for various research projects representing almost every scientific Division at the Lab. Six of these clusters were added in the past year bringing the total computational resource to over 2500 processors in production.

Finally, a multi-year effort is underway to reduce the use of computer room floorspace for operational computing and make more efficient and energy-efficient use of computational resources. The process, "Rationalize, Standardize, and Virtualize," consolidates and standardizes a server before it is virtualized. This includes the standardization of administrative management tools, security practices, backup cycles, resource capacity planning, performance monitoring and fault isolation notification procedures. In FY07, we began an engineering assessment of our data center to evaluate the capacity and energy efficiency, identify opportunities for increased efficiency, and lower energy consumption. The University expects to see a continuing trend of energy efficiency and conservation based on this virtualization strategy. In FY07, power consumption for business and operational server systems was reduced by approximately 45% through consolidation and

virtualization. Had these systems each been replaced with traditional servers, the resulting power use would have increased by 100%.

The University's efforts to provide an efficient and effective computing and communications environment for Berkeley Lab researchers cross operational and scientific boundaries and serve to directly enhance the mission of the institution. Continuous improvement efforts ensure this will continue into the future. Overall FY07 performance was exemplary, with significant contributions to current and future productivity and efficiency, and new services deployed to enable the institution to achieve its missions.

**Performance Objective 6.5:** Demonstrate effective transfer of technology and commercialization of intellectual assets.

Objective 6.5 has two measures and the average grade is an A+. (4.3)

Measure	Grade	Numerical Score	Avg. Numerical Score for Objective 6.5
6.5.1	A+	4.3	
6.5.2	A+	4.3	
<b>Performance Objective 6.5 Total</b>			4.3

Note: All measures equally weighted.

The two measures are equally weighted in the Performance Objective 6.5 Scoring Table. [We did have a scoring gradient] Targets for the two measures exceeded targets as shown in the Scoring Table and discussed below.

**Performance Measure 6.5.1:** The Contractor will disclose all new inventions made under the contract to DOE in a timely fashion.

**Target:** The Contractor shall disclose at least 88% of new inventions with two months of disclosure receipt.

**Performance:** Grade is A+ (4.3). For year to date FY 07 LBNL received 126 invention disclosures, 100% of which were reported to DOE within 60 days. It should be noted that the number of inventions to be so reported was 51% higher than the previous year. This performance significantly exceeds our annual goal of 89%.

**Performance Measure 6.5.2:** The Contractor will deploy its intellectual property through licenses, options, bailments, and similar technology transfer instruments. It will seek to obtain a fair return on these technologies to use as inventor incentives and for use per the Contract. A measure of market impact is indicated by the income received by the Contractor for use of these technologies.

**Target:** The Contractor shall obtain at least \$1,200K income.

**Performance:** Grade is A+ (4.3). For year to date FY 06, LBNL received \$3,209K of intellectual property income. It should be noted that this income is 10% higher than that reported for the previous year. This performance exceeded our annual goal of \$1,200k.

## **Other**

### ***Office of the Chief Financial Officer***

#### ***Assurance***

The OCFO, in partnership with the Office of Contract Assurance, continued to implement assurance systems to identify strengths and determine opportunities for improvements. The assurance systems currently in use include the Corrective Action Tracking System (CATS), adherence to Financial Policies and Procedures, implementation of the Self Assessment Program and utilization of the Lessons Learned Program.

#### ***Non Employee Stipends***

Through the process of conducting reviews and developing policies and procedures, the Laboratory identified that taxes for some non employee stipends for past years were not withheld properly which resulted in a tax liability to the IRS. Working with Deloitte Tax Services, the Laboratory took the initiative to self disclose and negotiate a final settlement for all prior years' tax liability with the IRS. Communications are in process and resolution is expected in the coming year.

Additional actions also included an in-depth analysis, the development of a policy and Laboratory wide training. The Laboratory is now fully compliant with IRS tax laws and each stipend payment is now screened and processed correctly.

#### ***Performance Fee Accrual***

An under accrual of performance fee related to the contract transition from Contract 98 to Contract 31 was noted during the FY2006 evaluation. With the establishment of the performance fee provision in the contract, there is a reference to the maximum level allowed under Contract 31 that enables a correct annual accrual. Additionally, clear lines of communication between the Budget Office and UCOP Laboratory Management Office have been established with periodic reviews to discuss fee related issues. The under accrual noted in FY2006 was a one-time occurrence that is not expected to reoccur.

#### ***Events Database***

A new database was developed during the year that streamlined and reengineered the process for managing data for events such as conferences and meetings in which the Laboratory participates. The new events database provides a cost effective mechanism that electronically tracks compliance with DOE Order 110.3A, *Conference Management*, as well as an efficient, easy-to-use system for identifying events and managing the process through completion. The database fully captures the end-to-end process and will have robust reporting capabilities. It captures critical information for activities related to

conferences and meetings while consolidating and tracking essential data such as attendees and cost information for each event. The database also enables the user to electronically identify and qualify the event type while providing the proper forms, eliminating faxes and paper documents. It electronically routes the required forms for approval by the appropriate deadline and tracks the approval status. With a fully electronic end-to-end process that assists the user in effectively defining and management events, it is anticipated that some cost avoidance will be realized.

### ***Acquisition and Property Management***

The supply chain initiative of the Office of the Chief Financial Officer (OCFO) has made significant progress this fiscal year. Following the successful Laboratory-wide deployment of the Laboratory's first eBuy commodity (office supplies) to an 8(a) Women Owned Small Business (WOSB) concern in FY 2006, four additional major commodities have been added in FY 2007 – industrial supplies to a WOSB concern; computer peripherals to an 8(a) SDVOSB concern; electronic supplies to an 8(a) WOSB concern; and desktop computers to a SB concern. Additionally, a sixth strategic commodity which encompasses multiple suppliers through an enhanced eCommerce process – laboratory supplies -- is on the verge of completing pilot testing and will be deployed in mid-October. This subcontract is with a VOSB concern.

The fiscal year saw 18,506 transactions with strategic sourcing vendors contributing to in excess of \$7M in overall cost savings towards the ultimate \$30M commitment.

The Procurement Department underwent a Procurement Evaluation Reengineering Team (PERT) Review January 8 –12, 2007, and the final report was received by the Laboratory in late February. The peer review program is a methodology for conducting a comprehensive review of contractor purchasing systems and processes by an independent team, comprised of DOE and NNSA Federal and contractor personnel, using standardized criteria. The overall outcome of the review was that “No observations of a significant nature were detected.” There were only five areas of weaknesses identified. None of the related findings were found to warrant immediate corrective action and should be resolved in the course of maturing Procurement's self-assessment, training, supplier management, and documentation control systems. On the strength of this review the DOE Berkeley Site Office (BSO) modified Contract 31, Appendix G, to increase its waiver of approval to \$10,000,000.

Feedback was received from DOE regarding FY 2006 performance that improvements needed to be made by Procurement when conducting random sample post-award reviews. The BSO expressed concern that correct issues and root causes were not always identified in order to strengthen and correct internal controls. During FY 2006, the Procurement & Property Manager had enhanced participation in the review process by increasing reviewers from one to three for each transaction and having each review group resolve conflicting observations to develop consensus findings for each subcontract. For FY 2007, based on discussion with BSO, the Procurement & Property Manager committed to personally oversee the review process and actively participate in the consensus discussions with the entire management team in order to assure consistent development of

findings, analysis, and recommendations. An additional step was also implemented to provide for review and response to potential findings by the responsible supervisor and subcontract administrator for input prior to consensus discussion. Resulting reports are now reviewed with BSO to assure clarity and completeness of analysis and solutions. These enhancements will be continued in FY 2008.

A complete review of the Laboratory's Personal Property Policy Manual was conducted at the direction of the DOE BSO to specifically ensure compliance with Contract 31, DOE Order 580.1, the Department of Energy's Personal Property Management Program (Contractor Requirements Document). The review was completed in July, and the Policy Manual updated. The updated Policy Manual is currently under review at the DOE BSO.

### **Attachments**

1. FY 2007 Financial Management Balanced Scorecard Plan
2. FY 2007 Financial Management Appendix B Fiscal Year End Results
3. FY 2007 Acquisition and Property Management Systems Balanced Scorecard Plans
4. Fiscal Year 2007 Appendix B Procurement Balanced Scorecard Report
5. Fiscal Year 2007 Appendix B Property Management Balanced Scorecard Report

## **Evidence File**

### **Measure 6.1.1**

#### **Financial Management BSC**

- 1.1.a** FY 2007 Reconciliation Report (October – September)
- 1.2.a** FY 2007 Audit Finding Corrective Actions Report (October – September)
- 1.2.c** FY 2007 Self Assessment Final Reports (Funds Control, Time Reporting and Labor Resource Adjustments)
- 1.3.a** FY 2007 DOE Reports submitted (October – September)
- 2.1.a** Budget Office validation of funds control (monthly and annual) ensuring costs are within B&R OCL levels for DOE direct funding
- 3.1.a** Five Year OCFO Strategic Training Plan
- 4.1.a** Annual Assurance Statement on Internal Control over Financial Reporting

### **Measure 6.2.1**

#### **Procurement BSC**

- 1.1.a.1** File – FY 2007 Customer Survey  
File – FY 2007 Procurement Liaisons Program
- 2.1.a.1** Procurement System Evaluation Plan dated September 13, 2005  
FY 2007 System Evaluation Schedule dated September 28, 2006 (Revised October 3, 2006)  
Pre-Award Self-Assessment Report, Contract Review Board Findings (January 2006 – December 2006) to Maria Robles on February 28, 2007  
List of FY 2007 Contract Review Board (CRB) Reviews  
Group Manager Self-Assessment Review Reports (FY 2006 Quarter 3 – 4 and FY 2007 Quarter 1 - 3)  
Group Manager Judgmental Sample Review Summary (April 1, 2006 – March 31, 2007) Report to Maria Robles on September 12, 2007  
Procurement Card Review Reports (FY 2007 Quarter 1, 2, 3, and 4)  
January 2007, Internal Audit Services Department Advisory Service Report, Review of Agreements with Russian Institutes (IAS 2560)  
Internal Audit Services Department Audit Report, July 2007, Purchasing Processes for Intra-University Transactions (IUT) (IAS 2551-1)  
Internal Audit Services Department Audit Report, July 2007, Purchasing Processes for Subcontracts (IAS 2551-2)  
Procurement and Property Management Department Self-Assessment Report - Subcontract Administration, Dated September 28, 2007  
Procurement and Property Management Department Self-Assessment Report – High Value Subcontracts, September 28, 2007  
Procurement Evaluation and Reengineering Team (PERT) Independent Peer Review Report, January 12, 2007

- 3.1.a.1** Files – FY 2007 Key Supplier Assessment (Owner Small Business and Supplier Management Office)
- 4.1.a.1** Procurement Statistics Spreadsheet (PRSTATSX.xls) Data as of September 30, 2007
- 4.1.a.2** Procurement Statistics Spreadsheet (PRSTATSX.xls) Data as of September 30, 2007
- 4.1.a.3** Procurement Statistics Spreadsheet (PRSTATSX.xls) Data as of September 30, 2007
- 4.1.a.4** Lead Time Summary (Over \$100K) Report Through September 2007
- 4.1.a.5** Lead Time Summary ( $\leq$  100K) Report Through September 2007
- 4.1.a.6** Lead Time Summary Report Through September 2007
- 4.1.a.7** Performance Statistics – Contract 31 Base Using Procurement and Invoice Data for October 2006 Through September 2007
- 5.1.a** Performance Statistics – Contract 31 Base Using Procurement and Invoice Data for October 2006 Through September 2007  
Procurement Statistics Spreadsheet (PRSTATSX.xls) Data as of September 2007, Report - Year to Date Socioeconomic Performance October 06 Through September 07
- 6.1.a.1** Fiscal Year 2007 Procurement Employee Survey - E-Mail to Procurement Employees on May 15, 2007, with Survey Attached  
PEAC e-mail July 6, 2007, providing FY 2007 Employee Satisfaction Survey Results Compilation Spreadsheet
- 6.2.a.1** E-Mail dated July 13 and 14, 2007, from Derrol Hammer to Procurement and Property Management Department Managers and Employees
- 6.3.a.1** File – FY 2007 Procurement Employee Training Records  
  
Procurement Training Plan Issued August 31, 2006
- 7.1.a.1** Procurement Statistics Spreadsheet (PRSTATSX.xls) Data as of September 30, 2007  
Center for Advanced Purchasing Studies (CAPS) Research Cross Industry Standard Benchmarks, DOE/NNSA Contractors Industry, Data Year 2006, Release Date: April 30, 2007

## **Measure 6.2.2**

### **Property Management BSC**

- 1.0** Spread sheet reflecting survey responses by question, answer, score and average score.
- 2.0** Transmittal memo from Advisory Board and Internal Customer Survey Report
- 3.0** Listing of individuals surveyed, specific asset data and individual responses
- 4.0** Listing of individuals surveyed, specific asset data and individual responses
- 5.0** Approved Inventory Plan  
Documentation of the Inventory Validation  
Final Inventory Results  
Review Resolution Summary
- 6.0** Approved Inventory Plan  
Documentation of the Inventory Validation  
Final Inventory Results  
Review Resolution Summary
- 7.0** Approved Inventory Plan  
Documentation of the Inventory Validation  
Final Inventory Results  
Review Resolution Summary
- 8.0** Approved Inventory Plan  
Documentation of the Inventory Validation  
Final Inventory Results  
Review Resolution Summary
- 9.0** Quarterly memos from Fleet Manager
- 10.0** Reports provided by Facilities reflecting tagged assets disposed of within 180 days
- 11.0** E-mails from Facilities  
Statements from Bid4Assets
- 12.0** Copies of waivers authorized  
Follow up documentation
- 13.0** Subcontractor documentation  
E-mail exchanges
- 14.0** List of base population  
Class rosters
- 15.0** Copies of Employee Development Plans will be made available
- 16.0** No hard copy documentation will be provided
- 17.0** Specific documentation will be provided upon request
- 18.0** Specific documentation will be provided upon request
- 19.0** No hard copy documentation provided
- 20.0** Fuel usage reports from Facilities

## **Measure 6.3.1**

Human Resources FY07 Annual Performance Report

Assessors Guide

LBNL HR Assessment Report

Peer Review Guide  
Peer Review Agenda  
Resumes of the Peer Reviewers  
Final Peer Review Opinion Report

**Measure 6.4.1**

External and Internal Customer Surveys

**Measure 6.4.2**

Audit Reports issued (as appropriate for non-privileged audits) and Distribution Memos

**Measure 6.4.3**

Report to UCOP detailing how hours were spent throughout the year

**Measure 6.4.4**

Continuing Professional Education (CPE) logs for professional staff







Measured Activities	Reporting Period	Gradient	Value of Activity	Score
<b>ETHICS / GOVERNANCE / COMPLIANCE</b>				
<b>1.1</b> <b>EFFECTIVE ACCOUNTING PRACTICES</b> <b>Reconciliations</b> Ensure every active balance sheet account is regularly reconciled in a timely, accurate and complete manner. <i>A quarterly update on the status of account reconciliations will be provided.</i> <u>Reconciled balance sheet accounts*</u> All balance sheet accounts <b>Maximum points per quarter = 2</b>	Quarterly	Gauge	8.0	7.8
<b>1.2</b> <b>INTERNAL CONTROLS</b> <b>Audit Corrective Actions</b> Ensure timely and appropriate closure of external and internal audit findings within the Office of the Chief Financial Officer. LBNL will aggressively set target completion dates to ensure that the audit follow-up system promotes prompt and effective corrective actions. Corrective actions will be tracked in the Laboratory's CATS system and cross functional communication will be implemented to ensure completion of corrective actions. <i>A quarterly report on the status of audit corrective actions will be provided.</i> <u>Audit corrective actions scheduled to be closed that were actually closed**</u> Audit corrective actions scheduled to be closed <b>Maximum points per quarter = 2.5</b>	Quarterly	Gauge	10.0	10.0
<b>1.2.b</b> <b>INTERNAL CONTROLS</b> <b>Policy Compliance</b> The Laboratory will identify the financial policies and procedures to be reviewed for update during the fiscal year. Each of these policies and procedures will be reviewed and assessed to determine if they are compliant with: (1) Prime Contract 31 terms and conditions, (2) Applicable laws and regulations, and (3) Current Laboratory business practices. Following this assessment, each policy and procedure will be updated as needed. Target is to complete 100% of scheduled policy assessments and updates. <b>Maximum annual points = 5</b>	Annual	Gauge	5.0	5.0

Measured Activities	Reporting Period	Gradient	Value of Activity	Score
<p><b>1.2.c</b></p> <p><b>INTERNAL CONTROLS Self-Assessment</b></p> <p>The Laboratory will develop an overall Financial Self-Assessment Program Plan for DOE's review and concurrence, for future deployment. In addition, three (3) high risk financial policies and procedures will be selected for assessment with DOE concurrence.</p> <p>Prior to conducting the three (3) individual assessments, selected self-assessment plans will be submitted to DOE for approval describing the scope, sampling techniques to be used, who will be overseeing and conducting the assessment, and the reporting and tracking of findings.</p> <p>Target is to complete the Financial Self-Assessment Program Plan and the three (3) selected assessments of financial policies and procedures. Scoring will be assessed as follows:</p> <p><b>Maximum annual points = 10</b>  <i>Maximum points for self assessment program plan = 4</i>  <i>Maximum points for three selected assessments = 2 each (6 total)</i></p>	Annual	Gauge	10.0	10.0
<p><b>1.3</b></p> <p><b>BUDGET/FINANCIAL REPORTING</b></p> <p>All DOE budget and financial reports are submitted by the established due date in an accurate and complete manner. Included are accelerated financial statement reporting (quarterly and year end), FIS/MARS/STARS submissions, and all other financial reporting requirements.</p> <p><i>Quarterly results will be provided.</i></p> <p><u>Number of reports submitted on-time, accurately, and complete**</u>      Number of reports scheduled to be submitted</p> <p><b>Maximum points per quarter = 2.5</b></p>	Quarterly	Gauge	10.0	9.8
<p>Percent of Total</p> <p>43%</p>				<p>Available Points</p> <p>43.0</p>
<p>Available Points</p> <p>42.6</p>				<p>Available Points</p> <p>42.6</p>
<p><b>TOTAL ETHICS GOVERNANCE AND COMPLIANCE</b></p>				

Lawrence Berkeley National Laboratory  
 FY 2007 APPENDIX B  
 BALANCED SCORECARD PLAN (BSC)

Measured Activities	Reporting Period	Gradient	Value of Activity	Score
<b>FINANCE</b>				
<b>2.1</b> <b>FUNDS CONTROL</b> Ensure costs are within B&R Obligational Control Levels (OCL) at the end of each monthly accounting period for DOE direct funding. <i>Monthly results will be reported each quarter.</i> <b>Meets = 2 points per month</b>	Quarterly	Meets/ Doesn't Meet	24.0	24.0
<b>2.1.b</b> <b>FUNDS CONTROL</b> Ensure that the sum of DOE direct-funded costs and commitments do not exceed available funds at the B&R OCL at year-end. <b>Meets = 3 annual points</b>	Annual	Meets/ Doesn't Meet	3.0	3.0
<b>2.2</b> <b>EFFECTIVE FINANCIAL CONTROL PROCESS</b> The Office of the CFO demonstrates improved systematic financial controls to mitigate inappropriate financial transactions that may result in funding or cost issues. <b>Meets = 15 annual points</b>	Annual	Meets/ Doesn't Meet	15.0	14.0
<b>TOTAL FINANCE</b>				<b>41.0</b>
<b>Percent of Total</b>				<b>42%</b>
<b>Available Points</b>				<b>42.0</b>
<b>Available Points</b>				<b>41.0</b>

Lawrence Berkeley National Laboratory  
 FY 2007 APPENDIX B  
 BALANCED SCORECARD PLAN (BSC)

Measured Activities	Reporting Period	Gradient	Value of Activity	Score
<b>PEOPLE</b>				
<b>3.1</b> <b>3.1.a</b> <b>TRAINING</b> Conduct Lab-wide financial training needs assessment for all Laboratory employees. Develop a training plan to meet Laboratory needs. Provide at least four (4) training modules as appropriate. <b>Meets = 5 annual points</b>	Annual	Meets/ Doesn't Meet	5.0	5.0
		Percent of Total	Available Points	Available Points
		5%	5.0	5.0
<b>TOTAL PEOPLE</b>				
<b>INTERNAL BUSINESS PROCESSES</b>				
<b>4.1</b> <b>4.1.a</b> <b>OMB CIRCULAR A-123, APPENDIX A</b> Ensure compliance with OMB Circular A-123, Appendix A control requirements. Meet all DOE deadlines and deliverables satisfactorily. (This includes feedback, recommendations and revisions provided by DOE are fully considered and implemented as required.) <b>Maximum annual points = 10</b>	Annual	Gauge	10.0	10.0
		Percent of Total	Available Points	Available Points
		10%	10.0	10.0
<b>TOTAL INTERNAL BUSINESS PROCESSES</b>				
		100%	100.0	98.6
<b>GRAND TOTAL</b>				
<p>* Any item not accomplished in a specified quarter will become part of the universe of the subsequent quarter to which it is carried over.</p> <p>** Any item not accomplished in a specified quarter will become part of the universe of the subsequent quarter to which it is rescheduled. Any items not completed on schedule will be briefed to BSO during quarterly meetings. The rescheduling of such an item will be per agreement between the Laboratory and DOE.</p>				

**Measure 1.1.a**  
**Percent of Account Reconciliations Completed**  
**by Established Due Date**

Percentage		Earned Points	Rating
49.99	or less	0	Unsatisfactory
50.00	50.99	4.00	
51.00	51.99	4.08	
52.00	52.99	4.16	
53.00	53.99	4.24	
54.00	54.99	4.32	
55.00	55.99	4.40	
56.00	56.99	4.48	
57.00	57.99	4.56	
58.00	58.99	4.64	
59.00	59.99	4.72	
60.00	60.99	4.80	Marginal
61.00	61.99	4.88	
62.00	62.99	4.96	
63.00	63.99	5.04	
64.00	64.99	5.12	
65.00	65.99	5.20	
66.00	66.99	5.28	
67.00	67.99	5.36	
68.00	68.99	5.44	
69.00	69.99	5.52	
70.00	70.99	5.60	Good
71.00	71.99	5.68	
72.00	72.99	5.76	
73.00	73.99	5.84	
74.00	74.99	5.92	
75.00	75.99	6.00	
76.00	76.99	6.08	
77.00	77.99	6.16	
78.00	78.99	6.24	
79.00	79.99	6.32	
80.00	80.99	6.40	Excellent
81.00	81.99	6.48	
82.00	82.99	6.56	
83.00	83.99	6.64	
84.00	84.99	6.72	
85.00	85.99	6.80	
86.00	86.99	6.88	
87.00	87.99	6.96	
88.00	88.99	7.04	
89.00	89.99	7.12	
90.00	90.99	7.20	Outstanding
91.00	91.99	7.28	
92.00	92.99	7.36	
93.00	93.99	7.44	
94.00	94.99	7.52	
95.00	95.99	7.60	
96.00	96.99	7.68	
97.00	97.99	7.76	
98.00	98.99	7.84	
99.00	99.99	7.92	
100.00		8.00	

**Measure 1.1.a**  
**Percent of Account Reconciliations Completed**  
**by Established Due Date**

Percentage		Earned Points (Quarterly)	Rating
49.99	or less	0	Unsatisfactory
50.00	50.99	1.00	
51.00	51.99	1.02	
52.00	52.99	1.04	
53.00	53.99	1.06	
54.00	54.99	1.08	
55.00	55.99	1.10	
56.00	56.99	1.12	
57.00	57.99	1.14	
58.00	58.99	1.16	
59.00	59.99	1.18	
60.00	60.99	1.20	Marginal
61.00	61.99	1.22	
62.00	62.99	1.24	
63.00	63.99	1.26	
64.00	64.99	1.28	
65.00	65.99	1.30	
66.00	66.99	1.32	
67.00	67.99	1.34	
68.00	68.99	1.36	
69.00	69.99	1.38	
70.00	70.99	1.40	Good
71.00	71.99	1.42	
72.00	72.99	1.44	
73.00	73.99	1.46	
74.00	74.99	1.48	
75.00	75.99	1.50	
76.00	76.99	1.52	
77.00	77.99	1.54	
78.00	78.99	1.56	
79.00	79.99	1.58	
80.00	80.99	1.60	Excellent
81.00	81.99	1.62	
82.00	82.99	1.64	
83.00	83.99	1.66	
84.00	84.99	1.68	
85.00	85.99	1.70	
86.00	86.99	1.72	
87.00	87.99	1.74	
88.00	88.99	1.76	
89.00	89.99	1.78	
90.00	90.99	1.80	Outstanding
91.00	91.99	1.82	
92.00	92.99	1.84	
93.00	93.99	1.86	
94.00	94.99	1.88	
95.00	95.99	1.90	
96.00	96.99	1.92	
97.00	97.99	1.94	
98.00	98.99	1.96	
99.00	99.99	1.98	
100.00		2.00	

**Measure 1.2.a**  
**Percent of Audit Corrective Actions Closed**  
**by Established Due Date**

Percentage		Earned Points	Rating
49.99	or less	0	Unsatisfactory
50.00	50.99	5.0	
51.00	51.99	5.1	
52.00	52.99	5.2	
53.00	53.99	5.3	
54.00	54.99	5.4	
55.00	55.99	5.5	
56.00	56.99	5.6	
57.00	57.99	5.7	
58.00	58.99	5.8	
59.00	59.99	5.9	
60.00	60.99	6.0	Marginal
61.00	61.99	6.1	
62.00	62.99	6.2	
63.00	63.99	6.3	
64.00	64.99	6.4	
65.00	65.99	6.5	
66.00	66.99	6.6	
67.00	67.99	6.7	
68.00	68.99	6.8	
69.00	69.99	6.9	
70.00	70.99	7.0	Good
71.00	71.99	7.1	
72.00	72.99	7.2	
73.00	73.99	7.3	
74.00	74.99	7.4	
75.00	75.99	7.5	
76.00	76.99	7.6	
77.00	77.99	7.7	
78.00	78.99	7.8	
79.00	79.99	7.9	
80.00	80.99	8.0	Excellent
81.00	81.99	8.1	
82.00	82.99	8.2	
83.00	83.99	8.3	
84.00	84.99	8.4	
85.00	85.99	8.5	
86.00	86.99	8.6	
87.00	87.99	8.7	
88.00	88.99	8.8	
89.00	89.99	8.9	
90.00	90.99	9.0	Outstanding
91.00	91.99	9.1	
92.00	92.99	9.2	
93.00	93.99	9.3	
94.00	94.99	9.4	
95.00	95.99	9.5	
96.00	96.99	9.6	
97.00	97.99	9.7	
98.00	98.99	9.8	
99.00	99.99	9.9	
100.00		10.0	

**Measure 1.1.a**  
**Percent of Audit Corrective Actions Closed**  
**by Established Due Date**

Percentage		Earned Points (Quarterly)	Rating
49.99	or less	0	Unsatisfactory
50.00	50.99	1.25	
51.00	51.99	1.28	
52.00	52.99	1.30	
53.00	53.99	1.33	
54.00	54.99	1.35	
55.00	55.99	1.38	
56.00	56.99	1.40	
57.00	57.99	1.43	
58.00	58.99	1.45	
59.00	59.99	1.48	
60.00	60.99	1.50	Marginal
61.00	61.99	1.53	
62.00	62.99	1.55	
63.00	63.99	1.58	
64.00	64.99	1.60	
65.00	65.99	1.63	
66.00	66.99	1.65	
67.00	67.99	1.68	
68.00	68.99	1.70	
69.00	69.99	1.73	
70.00	70.99	1.75	Good
71.00	71.99	1.78	
72.00	72.99	1.80	
73.00	73.99	1.83	
74.00	74.99	1.85	
75.00	75.99	1.88	
76.00	76.99	1.90	
77.00	77.99	1.93	
78.00	78.99	1.95	
79.00	79.99	1.98	
80.00	80.99	2.00	Excellent
81.00	81.99	2.03	
82.00	82.99	2.05	
83.00	83.99	2.08	
84.00	84.99	2.10	
85.00	85.99	2.13	
86.00	86.99	2.15	
87.00	87.99	2.18	
88.00	88.99	2.20	
89.00	89.99	2.23	
90.00	90.99	2.25	Outstanding
91.00	91.99	2.28	
92.00	92.99	2.30	
93.00	93.99	2.33	
94.00	94.99	2.35	
95.00	95.99	2.38	
96.00	96.99	2.40	
97.00	97.99	2.43	
98.00	98.99	2.45	
99.00	99.99	2.48	
100.00		2.50	

**Measure 1.2.b**  
**Percent of Targeted Policies Reviewed for Compliance**

Percentage		Earned Points	Rating
49.99	or less	0	Unsatisfactory
50.00	50.99	2.50	
51.00	51.99	2.55	
52.00	52.99	2.60	
53.00	53.99	2.65	
54.00	54.99	2.70	
55.00	55.99	2.75	
56.00	56.99	2.80	
57.00	57.99	2.85	
58.00	58.99	2.90	
59.00	59.99	2.95	
60.00	60.99	3.00	Marginal
61.00	61.99	3.05	
62.00	62.99	3.10	
63.00	63.99	3.15	
64.00	64.99	3.20	
65.00	65.99	3.25	
66.00	66.99	3.30	
67.00	67.99	3.35	
68.00	68.99	3.40	
69.00	69.99	3.45	
70.00	70.99	3.50	Good
71.00	71.99	3.55	
72.00	72.99	3.60	
73.00	73.99	3.65	
74.00	74.99	3.70	
75.00	75.99	3.75	
76.00	76.99	3.80	
77.00	77.99	3.85	
78.00	78.99	3.90	
79.00	79.99	3.95	
80.00	80.99	4.00	Excellent
81.00	81.99	4.05	
82.00	82.99	4.10	
83.00	83.99	4.15	
84.00	84.99	4.20	
85.00	85.99	4.25	
86.00	86.99	4.30	
87.00	87.99	4.35	
88.00	88.99	4.40	
89.00	89.99	4.45	
90.00	90.99	4.50	Outstanding
91.00	91.99	4.55	
92.00	92.99	4.60	
93.00	93.99	4.65	
94.00	94.99	4.70	
95.00	95.99	4.75	
96.00	96.99	4.80	
97.00	97.99	4.85	
98.00	98.99	4.90	
99.00	99.99	4.95	
100.00		5.00	

**Measure 1.2.c**  
**Development of Self Assessment Plan**  
**(and three selected self assessments)**  
**Percent Completed**

Percentage	Earned Points	Rating
49.99	or less	0
50.00	50.99	5.00
51.00	51.99	5.10
52.00	52.99	5.20
53.00	53.99	5.30
54.00	54.99	5.40
55.00	55.99	5.50
56.00	56.99	5.60
57.00	57.99	5.70
58.00	58.99	5.80
59.00	59.99	5.90
60.00	60.99	6.00
61.00	61.99	6.10
62.00	62.99	6.20
63.00	63.99	6.30
64.00	64.99	6.40
65.00	65.99	6.50
66.00	66.99	6.60
67.00	67.99	6.70
68.00	68.99	6.80
69.00	69.99	6.90
70.00	70.99	7.00
71.00	71.99	7.10
72.00	72.99	7.20
73.00	73.99	7.30
74.00	74.99	7.40
75.00	75.99	7.50
76.00	76.99	7.60
77.00	77.99	7.70
78.00	78.99	7.80
79.00	79.99	7.90
80.00	80.99	8.00
81.00	81.99	8.10
82.00	82.99	8.20
83.00	83.99	8.30
84.00	84.99	8.40
85.00	85.99	8.50
86.00	86.99	8.60
87.00	87.99	8.70
88.00	88.99	8.80
89.00	89.99	8.90
90.00	90.99	9.00
91.00	91.99	9.10
92.00	92.99	9.20
93.00	93.99	9.30
94.00	94.99	9.40
95.00	95.99	9.50
96.00	96.99	9.60
97.00	97.99	9.70
98.00	98.99	9.80
99.00	99.99	9.90
100.00		10.00

**Measure 1.3.a**  
**Bud-Fin Reports Submitted On Time**

Percentage		Earned Points	Rating
49.99	or less	0	Unsatisfactory
50.00	50.99	5.0	
51.00	51.99	5.1	
52.00	52.99	5.2	
53.00	53.99	5.3	
54.00	54.99	5.4	
55.00	55.99	5.5	
56.00	56.99	5.6	
57.00	57.99	5.7	
58.00	58.99	5.8	
59.00	59.99	5.9	
60.00	60.99	6.0	Marginal
61.00	61.99	6.1	
62.00	62.99	6.2	
63.00	63.99	6.3	
64.00	64.99	6.4	
65.00	65.99	6.5	
66.00	66.99	6.6	
67.00	67.99	6.7	
68.00	68.99	6.8	
69.00	69.99	6.9	
70.00	70.99	7.0	Good
71.00	71.99	7.1	
72.00	72.99	7.2	
73.00	73.99	7.3	
74.00	74.99	7.4	
75.00	75.99	7.5	
76.00	76.99	7.6	
77.00	77.99	7.7	
78.00	78.99	7.8	
79.00	79.99	7.9	
80.00	80.99	8.0	Excellent
81.00	81.99	8.1	
82.00	82.99	8.2	
83.00	83.99	8.3	
84.00	84.99	8.4	
85.00	85.99	8.5	
86.00	86.99	8.6	
87.00	87.99	8.7	
88.00	88.99	8.8	
89.00	89.99	8.9	
90.00	90.99	9.0	Outstanding
91.00	91.99	9.1	
92.00	92.99	9.2	
93.00	93.99	9.3	
94.00	94.99	9.4	
95.00	95.99	9.5	
96.00	96.99	9.6	
97.00	97.99	9.7	
98.00	98.99	9.8	
99.00	99.99	9.9	
100.00		10.0	

**Measure 1.1.a**  
**Bud-Fin Reports Submitted On Time**

Percentage		Earned Points (Quarterly)	Rating
49.99	or less	0	Unsatisfactory
50.00	50.99	1.25	
51.00	51.99	1.28	
52.00	52.99	1.30	
53.00	53.99	1.33	
54.00	54.99	1.35	
55.00	55.99	1.38	
56.00	56.99	1.40	
57.00	57.99	1.43	
58.00	58.99	1.45	
59.00	59.99	1.48	
60.00	60.99	1.50	Marginal
61.00	61.99	1.53	
62.00	62.99	1.55	
63.00	63.99	1.58	
64.00	64.99	1.60	
65.00	65.99	1.63	
66.00	66.99	1.65	
67.00	67.99	1.68	
68.00	68.99	1.70	
69.00	69.99	1.73	
70.00	70.99	1.75	Good
71.00	71.99	1.78	
72.00	72.99	1.80	
73.00	73.99	1.83	
74.00	74.99	1.85	
75.00	75.99	1.88	
76.00	76.99	1.90	
77.00	77.99	1.93	
78.00	78.99	1.95	
79.00	79.99	1.98	
80.00	80.99	2.00	Excellent
81.00	81.99	2.03	
82.00	82.99	2.05	
83.00	83.99	2.08	
84.00	84.99	2.10	
85.00	85.99	2.13	
86.00	86.99	2.15	
87.00	87.99	2.18	
88.00	88.99	2.20	
89.00	89.99	2.23	
90.00	90.99	2.25	Outstanding
91.00	91.99	2.28	
92.00	92.99	2.30	
93.00	93.99	2.33	
94.00	94.99	2.35	
95.00	95.99	2.38	
96.00	96.99	2.40	
97.00	97.99	2.43	
98.00	98.99	2.45	
99.00	99.99	2.48	
100.00		2.50	

**Measure 4.1.a**  
**OMB A-123 Submission to DOE**

Percentage		Points	Rating
<b>49.99</b>	<b>or less</b>	<b>0</b>	<b>Unsatisfactory</b>
<b>50.00</b>	<b>50.99</b>	<b>5.00</b>	
<b>51.00</b>	<b>51.99</b>	<b>5.10</b>	
<b>52.00</b>	<b>52.99</b>	<b>5.20</b>	
<b>53.00</b>	<b>53.99</b>	<b>5.30</b>	
<b>54.00</b>	<b>54.99</b>	<b>5.40</b>	
<b>55.00</b>	<b>55.99</b>	<b>5.50</b>	
<b>56.00</b>	<b>56.99</b>	<b>5.60</b>	
<b>57.00</b>	<b>57.99</b>	<b>5.70</b>	
<b>58.00</b>	<b>58.99</b>	<b>5.80</b>	
<b>59.00</b>	<b>59.99</b>	<b>5.90</b>	
<b>60.00</b>	<b>60.99</b>	<b>6.00</b>	<b>Marginal</b>
<b>61.00</b>	<b>61.99</b>	<b>6.10</b>	
<b>62.00</b>	<b>62.99</b>	<b>6.20</b>	
<b>63.00</b>	<b>63.99</b>	<b>6.30</b>	
<b>64.00</b>	<b>64.99</b>	<b>6.40</b>	
<b>65.00</b>	<b>65.99</b>	<b>6.50</b>	
<b>66.00</b>	<b>66.99</b>	<b>6.60</b>	
<b>67.00</b>	<b>67.99</b>	<b>6.70</b>	
<b>68.00</b>	<b>68.99</b>	<b>6.80</b>	
<b>69.00</b>	<b>69.99</b>	<b>6.90</b>	
<b>70.00</b>	<b>70.99</b>	<b>7.00</b>	<b>Good</b>
<b>71.00</b>	<b>71.99</b>	<b>7.10</b>	
<b>72.00</b>	<b>72.99</b>	<b>7.20</b>	
<b>73.00</b>	<b>73.99</b>	<b>7.30</b>	
<b>74.00</b>	<b>74.99</b>	<b>7.40</b>	
<b>75.00</b>	<b>75.99</b>	<b>7.50</b>	
<b>76.00</b>	<b>76.99</b>	<b>7.60</b>	
<b>77.00</b>	<b>77.99</b>	<b>7.70</b>	
<b>78.00</b>	<b>78.99</b>	<b>7.80</b>	
<b>79.00</b>	<b>79.99</b>	<b>7.90</b>	
<b>80.00</b>	<b>80.99</b>	<b>8.00</b>	<b>Excellent</b>
<b>81.00</b>	<b>81.99</b>	<b>8.10</b>	
<b>82.00</b>	<b>82.99</b>	<b>8.20</b>	
<b>83.00</b>	<b>83.99</b>	<b>8.30</b>	
<b>84.00</b>	<b>84.99</b>	<b>8.40</b>	
<b>85.00</b>	<b>85.99</b>	<b>8.50</b>	
<b>86.00</b>	<b>86.99</b>	<b>8.60</b>	
<b>87.00</b>	<b>87.99</b>	<b>8.70</b>	
<b>88.00</b>	<b>88.99</b>	<b>8.80</b>	
<b>89.00</b>	<b>89.99</b>	<b>8.90</b>	
<b>90.00</b>	<b>90.99</b>	<b>9.00</b>	<b>Outstanding</b>
<b>91.00</b>	<b>91.99</b>	<b>9.10</b>	
<b>92.00</b>	<b>92.99</b>	<b>9.20</b>	
<b>93.00</b>	<b>93.99</b>	<b>9.30</b>	
<b>94.00</b>	<b>94.99</b>	<b>9.40</b>	
<b>95.00</b>	<b>95.99</b>	<b>9.50</b>	
<b>96.00</b>	<b>96.99</b>	<b>9.60</b>	
<b>97.00</b>	<b>97.99</b>	<b>9.70</b>	
<b>98.00</b>	<b>98.99</b>	<b>9.80</b>	
<b>99.00</b>	<b>99.99</b>	<b>9.90</b>	
<b>100.00</b>		<b>10.00</b>	



Lawrence Berkeley National Laboratory  
 FY 2007 Appendix B  
 Financial Management  
 (October 2006 to September 2007)

Activity/Assigned Points	Gradient	Points Earned	Results
<p><b>1.1 Effective Accounting Practices</b></p> <p><b>1.1.a Reconciliations</b> Ensure every active balance sheet account is regularly reconciled in a timely, accurate and complete manner.</p> <p><i>Quarterly results will be provided. See attached gauge.</i></p> <p><i>Maximum annual points = 8</i></p> <p><i>Maximum points per quarter = 2</i></p> <p><b>Report: Quarterly</b>  <b>Scoring: Quarterly</b></p>	<p>See Gauge</p>	<p style="text-align: center;"><b>7.76</b></p>	<p>Balance sheet account reconciliations are tracked and monitored each month, in accordance with the Laboratory's Reconciliation Policy.</p> <p><u>Reconciled Balance Sheet Accounts</u>  <u>All Balance Sheet Accounts*</u></p> <p>Actual fourth quarter calculation (675 ÷ 703 = 96.02%)</p> <p><u>FMPAM Gauge – Fourth Quarter</u></p> <p>96.02% actual = 1.92 points per gauge</p> <p><b>FMPAM Gauge - Annual</b></p> <p>Actual annual calculation (2,728 ÷ 2,799 = 97.46%)</p> <p><b>97.46 % actual = 7.76 points earned per gauge</b></p> <p><i>NOTE: Per agreement with DOE BSO &amp; UCOP on 7/27/06, one travel account will be considered as unreconciled each month. This account will be counted as one unreconciled account each month throughout the year. A Corrective Action Plan was developed and included in the Laboratory's Corrective Action Tracking System (CATS) for resolution.</i></p> <p>*Any item not accomplished in a specified quarter will become part of the universe of the subsequent quarter to which it is carried over.</p>



Lawrence Berkeley National Laboratory  
 FY 2007 Appendix B  
 Financial Management  
 (October 2006 to September 2007)

Activity/Assigned Points	Gradient	Points Earned	Results
<p><b>1.2 Internal Controls</b></p> <p><b>1.2.a Audit Corrective Actions</b> Ensure timely and appropriate closure of external and internal audit findings within the Office of the Chief Financial Officer. LBNL will aggressively set target completion dates to ensure that the audit follow-up system promotes prompt and effective corrective actions. Corrective actions will be tracked in the Laboratory's CATS and cross functional communication will be implemented to ensure completion of corrective actions.</p> <p><i>A quarterly report on the status of audit findings will be provided.</i></p> <p><i>Maximum annual points = 10</i></p> <p><i>Maximum points per quarter = 2.5</i></p> <p><b>Report: Quarterly</b>  <b>Scoring: Quarterly</b></p>		<p><b>10.0</b></p>	<p>Each audit finding and corrective action was monitored and tracked in the Laboratory's Corrective Action Tracking System (CATS). Updates are recorded in CATS and shared with Internal Audit, Office of Contract Assurance and the DOE Berkeley Site Office.</p> <p>OCFO audit findings and corrective actions were reviewed by the Controller, Operations Manager, Procurement Manager, Financial Policy and Training Manager and CFO. Communication with the person responsible for each corrective action was initiated to ensure completion on a timely basis.</p> <p>Audit Findings Scheduled to be Closed  <u>That Were Actually Closed**</u>          Audit Findings Scheduled to be Closed</p> <p>Actual fourth quarter calculation <math>(31 \div 31 = 100\%)</math>  <math>(Q1=16, Q2=19, Q3=12, Q4=31)</math></p> <p><u>FMPAM Gauge – Fourth Quarter</u></p> <p>100% actual = 2.5 points per gauge</p> <p><b>FMPAM Gauge - Annual</b></p> <p>Actual annual calculation <math>(78 \div 78 = 100\%)</math></p> <p><b>100% actual = 10 annual points earned per gauge</b></p> <p>** Any item not accomplished in a specified quarter will become part of the universe of the subsequent quarter to which it is rescheduled. Any items not completed on schedule will be briefed to BSO during quarterly meetings. The rescheduling of such an item will be per agreement between the Laboratory and DOE.</p>



**Lawrence Berkeley National Laboratory**  
**FY 2007 Appendix B**  
**Financial Management**  
**(October 2006 to September 2007)**

Activity/Assigned Points	Gradient	Points Earned	Results												
<p><b>1.2. Internal Controls</b></p> <p><b>1.2.b Policy Compliance.</b> The Laboratory will identify the financial policies and procedures to be reviewed for update during the fiscal year. Each of these policies and procedures will be reviewed and assessed to determine if they are compliant with: (1) Prime Contract 31 terms and conditions, (2) Applicable laws and regulations, and (3) Current Laboratory business practices. Following this assessment, each policy and procedure will be updated as needed. Target is to complete 100% of scheduled policy assessments and updates.</p> <p><i>Maximum annual points = 5</i></p> <p><b>Report: Quarterly</b> <b>Scoring: Annual</b></p>	<p style="text-align: center;">See Gauge</p>	<p style="text-align: center;"><b>5.0</b></p>	<p>During the 4th quarter one financial policy, Financial Management of Contractor Supporting Research (CSR) Program, was reviewed in accordance with the financial policy review schedule. No changes were necessary.</p> <p>All policies scheduled for review this year were completed according to the schedule.</p> <p>Financial policies scheduled for review in 2007 = 23 Year to date completed = 23</p> <p><b>Total annual points earned = 5</b></p>												
<p><b>1.2. Internal Controls</b></p> <p><b>1.2.c Self Assessment</b> The Laboratory will develop an overall Financial Self-Assessment Program Plan for DOE's review and concurrence, for future deployment. In addition, three (3) high risk financial policies and procedures will be selected for assessment with DOE concurrence.</p> <p>Prior to conducting the three (3) individual assessments, selected self-assessment plans will be submitted to DOE for approval describing the scope, sampling techniques to be used, who will be overseeing and conducting the assessment, and the reporting and tracking of findings.</p> <p>Target is to complete the Financial Self-Assessment Program Plan and the three (3) selected assessments of financial policies and procedures. Scoring will be assessed as follows:</p> <p>Maximum annual points = 10 Maximum points for self assessment program plan = 4 Maximum points for three selected assessments = 2 each (6 total)</p> <p><b>Report: Quarterly</b> <b>Scoring: Annual</b></p>	<p style="text-align: center;">See Gauge</p>	<p style="text-align: center;"><b>10.0</b></p>	<p>The OCFO Self Assessment Program Plan was developed with DOE concurrence in the first quarter of the fiscal year. Three self assessments were identified to be completed by fiscal year end:</p> <ul style="list-style-type: none"> <li>• <b>Funds Control</b></li> <li>• <b>Time Reporting</b></li> <li>• <b>Labor Resource Adjustments</b></li> </ul> <p>Data collection and analysis for Funds Control was conducted in the second quarter, Time Reporting in the third quarter and Labor Resource Adjustments in the fourth quarter. Final summary reports that included results of the analyses and any corrective actions were completed and approved by the CFO and submitted to DOE for all three self assessments. Corrective actions for all three self assessments were also entered into the Laboratory's CATS system for monitoring through completion.</p> <p>The Self Assessment Program was a valuable evaluation of financial processes that provided the opportunity to assess current practices and identify improvements for more effective and efficient results and enhanced best practices.</p> <table border="1" data-bbox="1258 667 1433 1062" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Self Assessment</th> <th>Annual Points</th> </tr> </thead> <tbody> <tr> <td>Program Plan</td> <td style="text-align: center;">4</td> </tr> <tr> <td>Funds Control</td> <td style="text-align: center;">2</td> </tr> <tr> <td>Time Reporting</td> <td style="text-align: center;">2</td> </tr> <tr> <td>Labor Resource Adjustments</td> <td style="text-align: center;">2</td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: center;"><b>10</b></td> </tr> </tbody> </table>	Self Assessment	Annual Points	Program Plan	4	Funds Control	2	Time Reporting	2	Labor Resource Adjustments	2	<b>Total</b>	<b>10</b>
Self Assessment	Annual Points														
Program Plan	4														
Funds Control	2														
Time Reporting	2														
Labor Resource Adjustments	2														
<b>Total</b>	<b>10</b>														



Lawrence Berkeley National Laboratory  
 FY 2007 Appendix B  
 Financial Management  
 (October 2006 to September 2007)

Activity/Assigned Points	Gradient	Points Earned	Results
<p><b>1.3. Budget/Financial Reporting</b></p> <p>1.3.a All DOE budget and financial reports are submitted by the established due date in an accurate and complete manner. Included are Accelerated Financial Statement Reporting (quarterly and year end), FIS/MARS/STARS submissions, and all other financial reporting requirements. <i>Quarterly results will be provided. See attached gauge.</i></p> <p><i>Maximum annual points = 10</i></p> <p><i>Maximum points per quarter = 2.5</i></p> <p><b>Report: Quarterly</b> <b>Scoring: Quarterly</b></p>	<p>See Gauge</p> <p style="text-align: center;"><b>9.8</b></p>		<p>All DOE reports were submitted by the established due date, in an accurate and complete manner.</p> <p><u>Reports Submitted On-Time, Accurately, and Complete**</u> Reports Scheduled to be Submitted</p> <p>Actual fourth quarter calculation (15 ÷ 15 = 100%)</p> <p><u>FMPAM Gauge – Fourth Quarter</u></p> <p>100% actual = 2.5 points per gauge</p> <p><b>Actual annual calculation (67 ÷ 68 = 98.53%)</b></p> <p><b>FMPAM Gauge</b> <b>98.53% actual = 9.8 points earned per gauge</b></p> <p>** Any item not accomplished in a specified quarter will become part of the universe of the subsequent quarter to which it is rescheduled. Any items not completed on schedule will be briefed to BSO during quarterly meetings. The rescheduling of such an item will be per agreement between the Laboratory and DOE.</p>
<p><b>2.1.Funds Control</b></p> <p>2.1.a Ensure costs are within B&amp;R Obligational Control Levels (OCL) at the end of each monthly accounting period for DOE direct funding.</p> <p><i>Monthly results will be provided each quarter.</i></p> <p><i>Maximum annual points = 24</i></p> <p><i>Maximum points per month = 2</i></p> <p><b>Report: Quarterly</b> <b>Scoring: Quarterly</b></p>	<p>Meets/ Doesn't Meet</p>	<p style="text-align: center;"><b>24.0</b></p>	<p>Costs were within B&amp;R OCL funding levels each month of the fourth quarter of FY 2007</p> <p>Total quarterly points = 6</p> <p><b>Annual Calculation</b></p> <p><b>Costs were within B&amp;R OCL funding levels for each month throughout FY 2007</b></p> <p><b>Total annual points earned = 24</b></p>



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Activity/Assigned Points	Gradient	Points Earned	Results
<p><b>2.1. Funds Control</b></p> <p><b>2.1.b</b> Ensure that the sum of DOE direct-funded costs and commitments do not exceed available funds at the B&amp;R OCL at year-end.</p> <p><i>Meets = 3 annual points</i></p> <p><b>Report: Annual</b> <b>Scoring: Annual</b></p>	<p>Meets/ Doesn't Meet</p>	<p><b>3.0</b></p>	<p>The sum of DOE direct-funded costs and commitments did not exceed available funds at the B&amp;R OCL at year-end.</p> <p><b>Total annual points earned = 3</b></p>



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Activity/Assigned Points	Gradient	Points Earned	Results
<p><b>2.2 Effective Financial Control Process</b></p> <p><b>2.2.a</b> The Office of the CFO demonstrates improved systematic financial controls to mitigate inappropriate financial transactions that may result in funding or cost issues.</p> <p><i>Meets = 15 annual points</i></p> <p><b>Report: Annual</b> <b>Scoring: Annual</b></p>	<p>Meets/ Doesn't Meet</p>	<p style="text-align: center;"><b>14.0</b></p>	<p>Improved systematic financial controls were demonstrated throughout the year through the significant efforts initiated towards the implementation of a new Laboratory Budget System. The Budget System will produce status reports which will assist in mitigating errors and maintaining integrated controls to significantly improve the Laboratory's ability to manage funds. It also includes a planning module which assists in the development of ongoing projections and/or early corrective actions.</p> <p>Phase 1 – Funds Database        The Budget Office completed the parallel test of the funds database portion of the Budget System. System functionality and reporting for Phase 1 was rolled out to the users in the third quarter.</p> <p>Phase 2 – Planning        ISS began programming and completed approximately 50% of the basic planning functionality by year end.</p> <p>The Laboratory continued to utilize the monthly B&amp;R Status Report (which is now system-generated) as a control to identify and flag B&amp;Rs at the nine-digit level, if costs and commitments reach a level greater than 80% of funding. This is used as a preventative tool to ensure awareness and provide the ability to initiate timely corrective actions.</p> <p>The Closing Follow-Up Report was another mechanism used to control funding and costs. This report identifies any potential overcosting issues and allows for appropriate proactive corrective actions.</p> <p>Project Overcosting        As a result of an internal Laboratory review conducted this year, certain unrecognized costs were identified for prior fiscal years (FY03 – FY06). The Laboratory did not accrue labor costs in a timely manner which resulted in a project overcosting of \$336K. The overcosting <b>did not occur at the 9-digit B&amp;R level</b>, but resulted in an unallowable cost to UC. Accordingly, a 1-point deduction has been taken for this measure. The Laboratory subsequently implemented several key corrective actions this year which included:</p> <ul style="list-style-type: none"> <li>• Mandatory funds control training for the entire Laboratory resource management community</li> <li>• Early reporting of detailed project cost and projections submitted to the affected Principal Investigator in the Division with budget variances researched</li> <li>• Potential overcosting issues to be identified and reported to the affected Division Director for proactive corrective actions</li> <li>• Billing and costs with UCD to be confirmed each quarter</li> <li>• The establishment of a core Laboratory team to address lessons learned, accrual processes and future training</li> </ul>



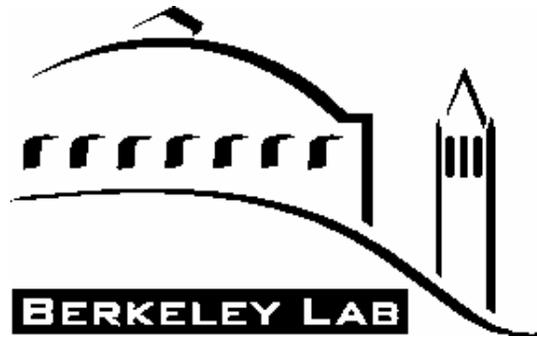
**Lawrence Berkeley National Laboratory**  
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Activity/Assigned Points	Gradient	Points Earned	Results										
<p><b>3.1 Training</b></p> <p><b>3.1.a</b> Conduct Lab-wide financial training needs assessment for all Laboratory employees. Develop a training plan to meet Laboratory needs. Provide at least four (4) training modules as appropriate.</p> <p><i>Meets = 5 annual points</i></p> <p><b>Report: Quarterly</b> <b>Scoring: Annual</b></p>	<p>Meets/ Doesn't Meet</p>	<p><b>5.0</b></p>	<p>A five-year OCFO Strategic Training Plan was developed in the third quarter that outlines an approach for assessing, planning and delivering training for Laboratory employees.</p> <p>During the fourth quarter, the OCFO conducted an online training needs assessment which was made available to the greater Laboratory community. The results of this survey will be used to help refine the OCFO strategic training plan and prioritize resource allocations. Training needs assessment interviews were also conducted with OCFO management and key business contacts.</p> <p>This year, ten core financial training modules were developed and delivered to IT Division managers and project leads with positive responses. The OCFO also provided Funds Control training to almost 60 OCFO employees. This was a mandatory course for all OCFO Resource Analysts.</p> <p>Future plans include working with the Training Program Project and Advisory Committee teams to further evaluate the results of the training survey and conduct more in-depth, targeted assessments where needed. Working with this information, the OCFO plans to build a cross-functional OCFO training program for the greater Laboratory community.</p> <p>An OCFO training Wiki on the Laboratory training website was established and is now functioning as a central location for all available financial training resources. The OCFO also initiated efforts to support a Learning Management System (LMS) at the Laboratory and will play a significant role in its implementation. The LMS is a UC-system wide initiative that will enhance the Laboratory's ability to provide employees and staff with a centralized location for required training information, career development plans, and tracking of all learning activities completed.</p> <table border="1" data-bbox="1010 552 1151 1062" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Activity</th> <th>Annual Points</th> </tr> </thead> <tbody> <tr> <td>Conduct Lab-wide financial needs assessment</td> <td style="text-align: center;">0.5</td> </tr> <tr> <td>Develop training plan</td> <td style="text-align: center;">0.5</td> </tr> <tr> <td>Provide at least 4 training modules</td> <td style="text-align: center;">4.0</td> </tr> <tr> <td style="text-align: right;"><b>Total</b></td> <td style="text-align: center;"><b>5.0</b></td> </tr> </tbody> </table>	Activity	Annual Points	Conduct Lab-wide financial needs assessment	0.5	Develop training plan	0.5	Provide at least 4 training modules	4.0	<b>Total</b>	<b>5.0</b>
Activity	Annual Points												
Conduct Lab-wide financial needs assessment	0.5												
Develop training plan	0.5												
Provide at least 4 training modules	4.0												
<b>Total</b>	<b>5.0</b>												



Lawrence Berkeley National Laboratory  
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Activity/Assigned Points	Gradient	Points Earned	Results
<p><b>4.1 OMB Circular A123, Appendix A</b></p> <p><b>4.1.a</b> Ensure compliance with OMB Circular A-123, Appendix A control requirements. Meet all DOE deadlines and deliverables satisfactorily. (This includes feedback, recommendations and revisions provided by DOE are fully considered and implemented as required.)</p> <p><i>Maximum annual points = 10</i></p> <p><b>Report: Quarterly</b> <b>Scoring: Annual</b></p>	<p>See Gauge</p>	<p><b>10.0</b></p>	<p>The Laboratory effectively complied with OMB Circular A-123 Appendix A control requirements this year. All status reports, DOE deadlines and deliverables were met on time with concurrence and approval from DOE.</p> <p>The project implementation team submitted the final assurance report to the DOE Chicago Site office in August 2007, which indicated that overall internal controls for financial reporting were operating effectively with no material weaknesses. The results of the FY 2007 OMB A-123 implementation were presented to the Laboratory Steering Committee prior to the submission of the Final Assurance Report. Highlighted accomplishments included complete documentation for all major financial reporting cycles, extensive coordination and efforts among OCFO, OCA, IAS, HR and IT, and training/learning opportunities for ongoing internal controls assessments. The OMB Project Team effectively and efficiently completed the required OMB A-123 implementation this year, while maintaining costs at a reasonably low level.</p> <p><b>Total annual points earned = 10</b></p>
<p><b>Total Assigned Points = 100</b></p>			<p><b>Total Annual Points Earned = 98.56</b></p>



**Fiscal Year 2007**

**Performance Evaluation and  
Measurement Plan  
(PEMP)**

**Acquisition and Property Management Systems  
Balanced Scorecard Model Index Plans**

*Lawrence Berkeley National Laboratory*

*University of California Laboratory Management Office*

*Department of Energy - Berkeley Site Office*

**Prime Contract No. DE-AC02-05CH11231**

**Issued November 8, 2006  
Revised April 2007**

## **Acquisition and Property Management Systems Balanced Scorecard Model Index Plan**

### **GENERAL**

Lawrence Berkeley National Laboratory's (LBNL) Procurement and Property Management organizations have negotiated individual Balanced Scorecard Model Index Plans, provided herein as Exhibit I and Exhibit II, with the Department of Energy Berkeley Site Office (DOE BSO) and the University of California Laboratory Management Office (UCLMO) to measure the performance under Contract No.: DE-AC02-05CH11231, Appendix B, *FY2007 Performance Evaluation and Measurement Plan (PEMP)*, Objective 6.2, *Provide an Efficient, Effective, and Responsive Acquisition and Property Management System(s)*.

### **SCORING**

The Laboratory will present data and analysis demonstrating their success in meeting the objectives and expectations of the Balanced Scorecard Model Index Plans. The following Table 1.0, the *Balanced Scorecard Model Index*, will be used to calculate an overall score for Objective 6.2. The methodology for calculating the Total Score is presented on the following page.

**TABLE 1.0 - BALANCED SCORECARD MODEL INDEX**

<b>FINAL GRADE</b>	<b>TOTAL SCORE</b>
A+	4.1 – 4.3
A	3.8 – 4.0
A-	3.5 – 3.7
B+	3.1 – 3.4
B	2.8 – 3.0
B-	2.5 – 2.7
C+	2.1 – 2.4
C	1.8 – 2.0
C-	1.1 – 1.7
D	0.8 – 1.0
F	0 – 0.7

### **SCORING METHODOLOGY**

The following Table 2.0, *BSC to PEMP Scoring Conversion Table*, will be used to convert the points achieved under the Procurement and Property Management Balanced Scorecard Model Index Plans to a PEMP score.

The Procurement organization will use the total points achieved under Exhibit I, *FY 2007 Procurement Balanced Scorecard Model Index Plan*, Attachment A.

The Property Management organization will use the total points achieved under Exhibit II, *FY 2007 Property Balanced Scorecard Model Index Plan*, Attachment A.

**Acquisition and Property Management Systems  
Balanced Scorecard Model Index Plan**

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**TABLE 2.0 - BSC TO PEMP SCORING CONVERSION TABLE**

<b>BSC TOTAL POINTS ACHIEVED</b>	<b>PEMP SCORE ACHIEVED</b>
≥ 96.8	4.1 – 4.3
93.4 – 96.7	3.8 – 4.0
90.0 – 93.3	3.5 – 3.7
86.8 – 89.9	3.1 – 3.4
83.4 – 86.7	2.8 – 3.0
80.0 – 83.3	2.5 – 2.7
76.8 – 79.9	2.1 – 2.4
73.4 – 76.7	1.8 – 2.0
70.0 – 73.3	1.1 – 1.7
60.0 – 69.9	0.8 – 1.0
< 60.0	0 – 0.7

***Acquisition and Property Management Systems  
Balanced Scorecard Model Index Plan***

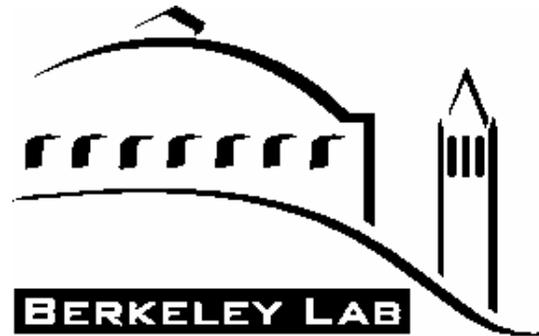
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**EXHIBIT I**

**FY 2007 APPENDIX B**

**PROCUREMENT**

**BALANCED SCORECARD MODEL INDEX PLAN**



# **FISCAL YEAR 2007**

## **Appendix B**

### **Procurement**

#### **Balanced Scorecard Plan**

*Lawrence Berkeley National Laboratory*

*University of California Laboratory Management Office*

*Department of Energy - Berkeley Site Office*

**Prime Contract No. DE-AC02-05CH11231**

**Issued October 2, 2006**

**Revised April 2007**

**Acquisition and Property Management Systems  
Balanced Scorecard Model Index Plan**

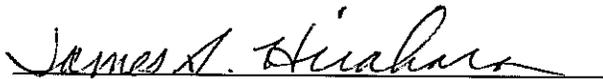
**1.0 Introduction**

As stated in the U.S. Department of Energy (DOE) Balanced Scorecard (BSC), the development and maintenance of acquisition cultures, systems, and processes that ensure a focus on results, while emphasizing integrity, fairness, competition, openness, and efficiency, is the desired end-state. Accordingly, the assessment approach designed to achieve this strategic goal, is the preferred measurement model, as opposed to the traditional Contractor Purchasing System Review (CPSR). Consistent with this strategy, as well as the Laboratory's Prime Contract, Section I, Clause I.114, *DEAR 970.5244-1 "CONTRACTOR PURCHASING SYSTEM (DEC 2000) (DEVIATION)*, the Procurement Functional Team Leaders from the Ernest Orlando Lawrence Berkeley National Laboratory (LBNL), the U.S. Department of Energy Berkeley Site Office (BSO), and the University of California Laboratory Management Office (UCLMO) have agreed to use the Procurement BSC Model Index, according to the methodology described herein, for the FY 2007 evaluation of Contract No.: DE-AC02-05CH11231 (Contract 31), *Appendix B, Performance Evaluation Measurement Plan (PEMP)*.

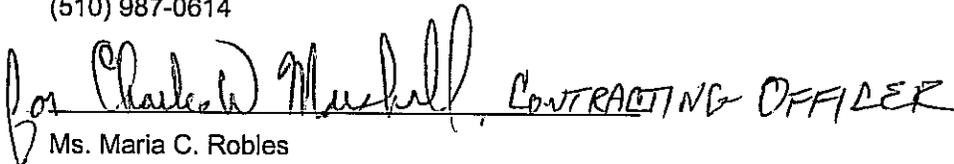
Procurement Functional Team Leaders:



Mr. Derrol J. Hammer  
Procurement and Property Manager  
Ernest Orlando Lawrence Berkeley National Laboratory  
(510) 486-6019



James S. Hirahara  
Executive Director, Business and Finance  
University of California, Laboratory Management Office  
(510) 987-0614



CONTRACTING OFFICER

Ms. Maria C. Robles  
Contracting Officer  
U.S. Department of Energy, Berkeley Site Office  
(510) 495-2552

## ***Acquisition and Property Management Systems Balanced Scorecard Model Index Plan***

It should be noted that any major changes in regulations, contract requirements, funding, or initiatives may require revisions to evaluation activities, measures, gradients, or desired outcomes and such changes may require appropriate equitable adjustments to measurement points. Changes will require concurrence by the LBNL, DOE, and UCLMO Functional Team Leaders and Steering Committee review (see *Guidelines for Development of Contract No. DE-AC02-05CH111231, Appendix B, Performance Evaluation and Measurement Plan [PEMP], Fiscal Year 2007*).

### **2.0 Background**

DOE Contractor:	Ernest Orlando Lawrence Berkeley National Laboratory
Prime Contract No.:	DE-AC02-05CH111231 (Management & Operating)
Points of Contact:	Mr. James S. Hirahara, Executive Director, Business and Finance, UC Laboratory Management Telephone Number: (510) 987-0614  Mr. Derrol Hammer, Procurement and Property Manager Telephone Number: (510) 486-6019; and  John Speros, Policy, Assurance, and Systems Manager Telephone Number: (510) 486-4569
DOE Office:	Berkeley Site Office
DOE Contracting Officers:	Mrs. Maria C. Robles & Mr. Charles W. (Chuck) Marshall
Status of Purchasing System:	Approved
Approval Period:	June 1, 2005 through May 31, 2010
Approval Threshold:	\$10 Million – Effective March 12, 2007 (unless otherwise stated in Prime Contract)

### **3.0 Prior Assessments**

Laboratory Purchasing System Self-Assessments and other BSC activities scheduled for FY 2006 have been completed. Any improvement or corrective actions identified through these assessments have been addressed, completed, or are in the process of completion.

### **4.0 Matrix Overview**

The Procurement BSC Model Index is comprised of a matrix (scorecard) in table format designed to document the performance results for the most current reporting period. Most elements are measured quarterly; therefore, ongoing performance is available throughout the assessment period to allow

## ***Acquisition and Property Management Systems Balanced Scorecard Model Index Plan***

stakeholders [LBNL, BSO, and UCLMO] to measure the health of the procurement system and customer service levels. Quarterly reporting allows for quick intervention in any element and serves as a key component of the DOE Purchasing System Operational Awareness Program. All stakeholders mutually agree upon measured activities, sub-gauges, and gradients before the beginning of the fiscal year. All modifications to model components will be mutually negotiated by all stakeholders, if necessary, as a result of changes in regulations or requirements, decreases in funding, new initiatives, or any unforeseen circumstances that impact the Procurement organization during the self-assessment period.

The *FY 2007 LBNL Procurement BSC Matrix Table* (as shown in Attachment A) is based on the principles of the BSC. The scorecard provides feedback on both internal business processes and outcomes to assist in continually monitoring and improving the work processes and the resulting products delivered. The BSC matrix is designed to evaluate performance within the context of four major perspectives. These perspectives are:

Customer  
Internal Business Processes  
Learning and Growth  
Financial

These perspectives are then subdivided into specific performance measures. They are:

### CUSTOMER PERSPECTIVE

Customer Satisfaction Rating

### INTERNAL BUSINESS PROCESSES PERSPECTIVE

Assessing System Operations  
Measuring Supplier Performance  
Measuring Effectiveness  
Socioeconomic Commitments

### LEARNING AND GROWTH PERSPECTIVE

Employee Satisfaction Rating  
Employee Alignment  
Employee Training

### FINANCIAL PERSPECTIVE

Cost-to-Spend Ratio

## **5.0 Measurement and Scoring Methodology**

### **5.1 Measurement**

LBNL, BSO, and UCLMO have mutually agreed upon the acceptable level of performance and corresponding targets/gradients for each activity. For activities occurring only once a year, the score shall be entered based on the final result at the end of the designated timeframe. All other results shall be reported quarterly and scored at fiscal year-end based upon the annual cumulative result.

If Procurement fails to perform an activity, the scoring will be handled by either of the following two methods:

- LBNL, BSO, and UCLMO will determine an equitable way of adjusting the assigned points, or zero points will be earned if an activity is not performed during the fiscal year.
- If, through no fault of Procurement, an activity is not performed, the points will be redistributed to another measure or measures, as negotiated among the parties (LBNL, BSO, and UCLMO).

### **5.2 Scoring**

The total earned points for each Performance Measure/Activity are combined to arrive at the overall fiscal year-end score for the Procurement Department. As specified in Attachment A - *FY 2007 Berkeley Lab Procurement BSC Matrix Table*, 100 points are available to Procurement. The points are distributed to the following perspectives:

<b>PERSPECTIVE</b>	<b>POINTS</b>
Customer	15
Internal Business Processes	55
Learning and Growth	25
Managing Financial Aspects	5
<b>TOTAL</b>	<b>100</b>

## **6.0 BSC Model Index Scoring Methodology**

*Attachment B – FY 2007 Procurement BSC Model Index Scoring Methodology*, describes the process to be used to establish the individual performance measure results. The mathematical approach to be used to calculate the results and an explanation of the criteria for establishing numerator and denominator values are provided.

## **7.0 Reporting**

Quarterly reports and briefings will be provided to BSO and UCLMO. The reports will include necessary narrative, the overall score, and the numerical scores for each core measure; the supporting activity score for each measured activity; and required supporting documentation. Supporting documentation may be a narrative report, graph, chart, or spreadsheet. BSO will, in response to the reports, provide written feedback as to how it perceives performance against the measures and whether there are any other concerns that BSO may have related to contract performance whether or not reflected in the BSC measures.

## **8.0 Overall Scoring**

Procurement will use the Scoring Methodology provided on Page 1 and 2 of the *Acquisition and Property Management Systems Balanced Scorecard Plans*, to convert the total points achieved to a PEMP Score.

Attachment A

FY 2007 Berkeley Lab Procurement BSC Matrix Table

Performance Measures/Measured Activities	Gradient	Activity Value	Score	Criteria	Total Points For Activity	Performance Objectives
<b>Customer</b>						
1.1.a Customer Satisfaction Rating						
1.1.a.1 % of satisfied internal customers (using transactional surveys)	<62.1/62.1/72.1/82.1/92.0	15		Customer Feedback	15	Customer Satisfaction 15
<b>Internal Business Processes</b>						
<b>2.1.a Assessing Systems Operations</b>						
2.1.a.1 System Self-Assessment Program	Average of File Scores <50.0/60.0/62.0/75.0/≥88.0	30		Systems Evaluation	30	
<b>3.1.a Measuring Supplier Performance</b>						
3.1.a.1 Key Supplier Management/Strategic Sourcing	Average of Supplier Survey Scores <2.00/2.00/3.00/3.75/≥4.50	10		Measuring Supplier Performance	10	
3.1.a.2 Key Supplier Timeliness of Deliveries	Target 84%	0				
<b>4.1.a Measuring Effectiveness</b>						
4.1.a.1 % of transactions placed by end-users	Target 40%	0	N/A			
4.1.a.2 % of transactions placed through Rapid Purchasing Techniques	Target 90%	0	N/A			
4.1.a.3 % of transactions placed through E-commerce	<15.0/15.0/20.0/25.0/≥30.0	5				
4.1.a.4 Average Cycle Time (Days), Transactions > \$100K	Target 25 - 30	0	N/A	Pursuing Best Practices	10	
4.1.a.5 Average Cycle Time (Days), Transactions ≤ \$100K	Target 6 - 9	0	N/A			
4.1.a.6 Average Cycle Time (Days), Overall	Target 8 - 11	0	N/A			
4.1.a.7 % of dollars on transactions > \$100K placed through Effective Competition	<20.0/20.0/30.0/40.0/≥50.0	5				
<b>5.1.a Socioeconomic Commitments</b>						
Small Business Concerns (% of socioeconomic subcontracting in the following categories and outreach activities)	Goals	5		Management of Internal Business Processes	55	100 Points
Small Business	≥41.3%					
Small Disadvantaged Business	≥6.3%					
Women-Owned Small Business	≥5.8%					
HUBZone Small Business	≥2.2%			Socioeconomic Subcontracting	5	
Service-Disabled Veteran-Owned Small Business	≥1.3%					
Veteran-Owned Small Business	≥1.0%					
<b>Learning and Growth</b>						
<b>6.1.a Employee Satisfaction Rating</b>						
6.1.a.1 % of satisfied employees (using climate surveys)	<60.0/60.0/70.0/80.0/≥90.0	10		Employee Feedback	10	
<b>6.2.a Employee Alignment</b>						
6.2.a.1 % of aligned employees	Target 98%	0	N/A			
<b>6.3.a Employee Training</b>						
6.3.a.1 Employee Training	Deployment of Employee Development and Training Program	15		Provide Employees With Training, Skills, and Tools	15	Learning and Growth 25
<b>Financial</b>						
<b>7.1.a Cost-to-Spend Ratio</b>						
7.1.a.1 % of purchasing organization cost compared to total procurement obligations	>3.50/3.50/3.24/2.99/<2.75	5		Process Cost	5	Managing Financial Aspects 5

**ATTACHMENT B**

**FY 2007 Procurement BSC Model Index Scoring Methodology**

**CUSTOMER PERSPECTIVE**

**1.1.a Customer Satisfaction Rating**

**1.1.a.1 – Internal Customer Satisfaction Rating**

Differing from a commercial enterprise, Laboratory customers and stakeholders, as well as mission accomplishments, may take pre-eminence over strictly financial results, since Berkeley Lab is a nonprofit institution. However, as a public organization, the Laboratory has greater stewardship responsibilities and focus than private sector entities. The Procurement Department's customers consist of the Laboratory Program/Technical Division Scientists or Principal Investigators; the Administrators or Analysts; and the Technicians and Engineers, as the recipients of the purchased goods and services (internal customers).

The U.S. Department of Energy, Office of Science is regarded as a sponsor, stakeholder, and/or customer of the procurement business processes, as is the University of California, Office of the President.

In FY 2007, the Laboratory will continue to assess the degree of satisfaction with Procurement's ability to meet internal customer needs. A five-question customer transactional survey (or questionnaire) that addresses the standard BSC performance measurement core response areas (timeliness, quality, and communication practices) will be presented to both BSO and UCLMO for concurrence in April 2007. Respondents will be asked to provide "yes/no" answers to four questions in regards to these core response areas. For a fifth question, the respondent will be asked to supply one of three overall satisfaction ratings consisting of: "Unsatisfactory," "Satisfactory," or "Highly Satisfactory". A comments section will be provided for each survey question.

The internal customers to be surveyed will be selected from the Self-Assessment File Review universe. The Self-Assessment File universe is randomly selected from a designated universe of transactions (such as the prior twelve months). Most Self-Assessment File Review random samples are stratified to ensure that a representative sampling from the low volume/high value end of the universe is selected. In general, the guidelines set forth in Section 4.600, "Audit Sampling," and Appendix B, "Statistical Sampling Techniques," of the U.S. Defense Contract Audit Agency (DCAA) Contract Audit Manual are applied in

**Acquisition and Property Management Systems  
Balanced Scorecard Model Index Plan**

determining the appropriate error rate, confidence and precision levels, and sample size for each Self-Assessment review, using “EZ-Quant” or similar software.

The surveys will be issued to internal customers concurrent with the related self-assessment(s). For the purpose of scoring this measure, the respondent will be considered “Satisfied” if their response to the fifth survey question is “Satisfactory” or “Highly Satisfactory”.

The formula below will be applied to determine the Internal Customer Satisfaction rating:

Internal Customer Satisfaction Rating % =	Number of Satisfied Internal Customers (Requesters)
	Total Number of Internal Customers (Requesters) Responding to Survey

Performance will be rated using the following gradients:

Percent of Customers Responding to Survey That Are Satisfied	Points Earned*
> 92.0%	15.0
82.1 - 92.0%	13.5
72.1 - 82.0%	12.0
62.1 - 72.0%	10.5
< 62.1%	9.0

\* Additional Points/Deduction of Points: A maximum of two points can either be earned or deducted from the points awarded. Point addition/deduction will be considered by DOE based on an evaluation of the internal customer service activities conducted by Procurement during the year. However, no more than 15 points can be earned for this measure.

**INTERNAL BUSINESS PROCESSES PERSPECTIVE**

**2.1.a Assessing Systems Operations (Effective Internal Controls)**

2.1.a.1 – System Self-Assessment Program

Effective Internal Controls (system evaluation) will be addressed under the Procurement Organization's System Evaluation Program. A letter will be submitted to DOE and UCLMO by the end of September 2006, which provides a schedule and description of self-assessment activities to be conducted during FY 2007.

The Laboratory's goal, as always, is to apply a sound, thorough, and systematic approach to risk-based self-assessment and to address any remedial actions in a timely manner.

Performance will be rated using the following gradients:

<b>Procurement Quality Index Average File Score</b>	<b>Points Earned</b>
≥ 88.0	30.0
75.0 - 87.9	27.0
62.0 - 74.9	24.0
50.0 - 61.9	21.0
< 50.0	18.0

**3.1.a – Measuring Supplier Performance (Effective Supplier Management)**

3.1.a.1 – Key Supplier Ratings

In keeping with the Laboratory's related objectives of providing excellent customer service, of ensuring cost-effective performance improvements while maintaining appropriate internal controls, and of promoting greater integration across the supply chain, Procurement's goal is to conduct business with reliable, competent subcontractors and suppliers, especially for mission-critical services and supplies. In FY 2007, the Laboratory will continue to evaluate key suppliers who provide critical commodities to the Laboratory. The Key Suppliers will be identified by the Laboratory and will be evaluated against established criterion-based measurement in four areas: Quality of Work; Timeliness of Performance; Cost Control; and Business Relations. Key Suppliers' performance will be evaluated through May 31, 2007, utilizing the Laboratory survey form, "*Customer Evaluation of Subcontractor's Performance*". Input will be due into Procurement's Small Business and Supplier Management Office by July 13, 2007. Survey results will be provided to DOE and UCLMO in the fiscal year-end report.

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Balanced Scorecard Model Index Plan**

Scoring for this measure will be based on the total average points achieved by the Laboratory Key Suppliers.

Performance will be rated using the following gradients:

Average Points Achieved By Laboratory Key Suppliers	Points Earned
4.50 - 5.00	10.0
3.75 - 4.49	9.0
3.00 - 3.74	8.0
2.00 - 2.99	7.0
< 2.00	6.0

**3.1.a.2 – Key Supplier Timeliness of Deliveries**

The Key Supplier Survey used in Measure 3.1.a.1 will be used to obtain feedback regarding timely deliveries of goods and services for this measure.

Target = 84% of Key Suppliers provide timely delivery of goods and services.

**4.1.a – Measuring Effectiveness (Utilization of Alternative Procurement Approaches, Acquisition Process, and Competition)**

The Laboratory will measure its operational effectiveness in utilizing alternative procurement approaches, such as transactions placed by end-users and other rapid purchasing techniques, against benchmarks and industry standards. These alternative approaches encompass such transactions as procurement card transactions, verbal purchase orders, blanket subcontract releases, as well as transactions placed through electronic commerce.

**4.1.a.1 – Percentage of Transactions Placed by End-Users**

Transactions placed by end-users include Just-In-Time (JIT)/System orders, blanket order releases, eBuy orders, and B2B system contract releases.

The percentage of transactions placed by end-users will be measured using the following formula:

$\% \text{ of Transactions Placed by End-Users} =$	$\frac{\text{Number of Transactions Placed by End-Users}}{\text{Total Transactions Placed}}$
--	--

Target = 40% of transactions will be placed by end-users

**Acquisition and Property Management Systems  
Balanced Scorecard Model Index Plan**

4.1.a.2 – Percentage of Transactions Placed Through Rapid Purchasing Techniques

The percentage of transactions placed through rapid purchasing techniques will be measured using the following formula:

% of Transactions Placed Through Rapid Purchasing Techniques =	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">Number of Transactions Placed Through Rapid Purchasing Techniques</td> </tr> <tr> <td style="text-align: center;">Total Transactions Placed</td> </tr> </table>	Number of Transactions Placed Through Rapid Purchasing Techniques	Total Transactions Placed
Number of Transactions Placed Through Rapid Purchasing Techniques			
Total Transactions Placed			

Transactions placed through rapid purchasing techniques include purchase cards, long-term purchasing agreements (blanket orders), e-commerce, Just-In-Time (JIT)/System, verbal purchasing orders, strategic agreements and other supplier programs (e.g. DOE Integrated Contractor Purchasing Team [ICPT] Agreements and University of California agreements).

Target = 90% of transactions will be placed through rapid purchasing techniques

4.1.a.3 - Procurement Transactions Placed Through Electronic Commerce

The percentage of transactions placed through electronic commerce (eBuy and B2B system contract releases) will be measured using the following formula:

% of Transactions Placed Through Electronic Commerce =	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">Number of Transactions Placed Through Electronic Commerce</td> </tr> <tr> <td style="text-align: center;">Total Transactions Placed</td> </tr> </table>	Number of Transactions Placed Through Electronic Commerce	Total Transactions Placed
Number of Transactions Placed Through Electronic Commerce			
Total Transactions Placed			

Performance will be rated using the following gradients:

Percentage of Transactions Placed Through Electronic Commerce	Points Earned
≥ 30.0%	5.0
25.0 - 29.9%	4.5
20.0 - 24.9%	4.0
15.0 - 19.9%	3.5
< 15.0%	3.0

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4.1.a.4 – Average Cycle-Time for Transactions > \$100,000

The Laboratory will measure the average procurement cycle-time in days for transactions over \$100,000.

Note: Purchase card transactions are excluded from this measure.

Target = 25 to 30 days for transactions > \$100,000

4.1.a.5 – Average Cycle-Time for Transactions <= \$100,000

The Laboratory will measure the average procurement cycle-time in days for procurement transactions <= \$100,000. Note: Purchase card transactions are excluded from this measure.

Target = Six to 9 days for transactions <= \$100,000

4.1.a.6 – Average Cycle-Time for All Transactions

The Laboratory will measure the average procurement cycle-time in days for all procurement transactions.

Target = Eight to 11 days for all transactions

4.1.a.7 – Use of Effective Competition

The Laboratory will measure effective competition as a percentage of dollars obligated on transactions over \$100,000. The subcontracting competition base will exclude two types of transactions: (1) subcontracts to an organizational affiliate of the Berkeley Lab (i.e., UC campus, UC Laboratory), and (2) “internal orders” for utility services. (This exclusion is based upon DOE Acquisition Guide, Chapter 41 – *Acquisition of Utility Services*).

Performance will be rated using the following gradients:

<b>Percentage of Dollars Obligated for Transactions &gt; \$100,000</b>	<b>Points Earned</b>
≥ 50.0%	5.0
40.0 - 49.9%	4.5
30.0 - 39.9%	4.0
20.0 - 29.9%	3.5
< 20.0%	3.0

**5.1.a – Socioeconomic Commitments (Good Corporate Citizenship Through Purchasing)**

The Laboratory’s percentage of socioeconomic subcontracting is measured and reported in accordance with Prime Contract Appendix H – *Small Business, Veteran-Owned Small Business, Service-Disabled Veteran-Owned Small Business, HUBZone Small Business, Small Disadvantaged Business, and Women-Owned Small Business Model Subcontracting Plan*. The subcontracting socioeconomic base excludes two types of transactions: (1) subcontracts involving performance outside of the United States or its outlying areas and (2) subcontracts to an organizational affiliate of the Berkeley Lab (i.e., UC campus, UC Laboratory). The FY 2007 socioeconomic goals, for year-end cumulative reporting, are as follows:

Small Business	41.3%
Small Disadvantaged Business	6.3%
Women-Owned Small Business	5.8%
HUBZone Small Business	2.2%
Service-Disabled Veteran-Owned Small Business	1.3%
Veteran-Owned Small Business	1.0%

In addition to the cumulative year-end subcontracting results, DOE evaluation of this measure will include the assessment of the Laboratory’s outreach efforts, as well as the consideration of any mandatory changes in regulations, contract requirements, funding, or initiatives and any anomalies that may have an adverse impact on Laboratory socioeconomic goal achievements. A maximum of five points can be awarded for this measure.

**LEARNING AND GROWTH PERSPECTIVE**

**6.1.a Employee Satisfaction**

6.1.a.1 Percentage of Satisfied Employees (Climate Survey)

Procurement will conduct a written, anonymous climate survey of Laboratory Procurement employees relative to its purchasing systems and methods and use the results to determine satisfaction ratings. In April, the survey format will be presented to both BSO and UCLMO for concurrence.

The survey will be sent electronically to each Laboratory Procurement employee in May. The survey will contain twelve survey statements (questions) covering topics relating to timeliness, quality of work environment, efficiency, communications, openness to innovation, and procurement ethics. Employees will be asked to score their degree of “agreement” with the twelve survey statements, on a scale of “1”

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(Strongly Disagree) to “5” (Strongly Agree). If an employee’s average score for all twelve (12) statements has a Rating of “3” or higher, the employee will be considered “Satisfied.”

The formula below will be applied to determine the Procurement Employee Satisfaction rating:

Procurement Employee Satisfaction Rating % =	Number of Satisfied Procurement Employees
	Total Number of Procurement Employees Responding to Survey

Performance will be rated using the following gradients:

Procurement Employee Satisfaction Rating	Points Earned
≥ 90.0%	10.0
80.0% - 89.9%	9.0
70.0% - 79.9%	8.0
60.0% - 69.9%	7.0
< 60.0%	6.0

**6.2.a Employee Alignment**

**6.2.a.1 Percentage of Procurement Employees’ Performance Evaluation Plans Aligned with Organizational Goals and Objectives**

The Laboratory will ensure that its Procurement employees’ Performance Evaluation Plans are aligned with organizational goals and objectives. Procurement Managers and Supervisors will ensure that all employees are thoroughly familiarized with their responsibilities associated with the FY 2007 Procurement Balanced Scorecard Plan as well as organizational goals and objectives throughout the year.

Target = 98% of Procurement employees’ Performance Evaluation Plans aligned with organizational goals and objectives.

**6.3.a Measuring Employee Training**

**6.3.a.1 Employee Training**

The Laboratory will deploy the new Procurement Employee Development and Training Program, in accordance with the Plan developed in FY 2006.

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Performance will be rated using the following gradients:

<b>Employee Training Results</b>	<b>Points Earned</b>
A sound systematic approach, fully responsive to all requirements of an Employee Development and Training Program (Management Development, Career Development, Basic Skills, Professional Skills, Technical Training, and Supervisory Skills) exists and is being employed as a key management tool. There is clear evidence of improvement shown in most aspects of the Acquisition Process, as a result of the new Development and Training Program. Results are subjected to analysis, and any corrective action to Program is aggressive and effective. Entire Program is deployed without significant weaknesses or gaps.	15.0
A sound systematic approach, responsive to the overall purposes of an Employee Development and Training Program exists and is a key management objective. There is clear evidence of improvement shown in most aspects of the Acquisition Process, as a result of the new Development and Training Program. The approach is well developed, may not be fully deployed, but has no major gaps.	13.5
A sound systematic approach, responsive to the primary requirements of an Employee Development and Training Program exists. There is clear evidence of improvement shown in key areas of the Acquisition Process. More emphasis is placed on improvement of Employee Development and Training, than on reaction to problems. Program is chiefly developed, but some areas are not ready for deployment.	12.0
A systematic approach to the primary purposes of an Employee Development and Training Program has begun. There is evidence that the Laboratory is in the early stages of a transition to the new Program. Some major gaps exist in deployment that would inhibit progress in achieving the primary purposes of a Development and Training Program.	6.0
A systematic approach to the primary purposes of an Employee Development and Training Program does not exist. There is little evidence to show that the Laboratory has achieved even the early stages of a transition to a new Development and Training Program. The Program is not ready for deployment.	0

**FINANCIAL PERSPECTIVE**

**7.1.a Optimum Cost Efficiency of Purchasing Operations**

7.1.a.1 – Cost-to-Spend Ratio

The Laboratory will ensure optimum cost efficiency of purchasing operations. The Laboratory will compare its operating costs as a percentage of total procurement dollars obligated to benchmarking data and industry standards and establish goals and gradients accordingly.

The formula below will be applied to determine the cost-to-spend ratio:

Cost to Spend Ratio % =	$\frac{\text{Purchasing Operation Operating Costs (Labor + Overhead)}}{\text{Purchasing Obligations}}$
-------------------------	--

Performance will be rated using the following gradients:

<b>Cost to Spend Ratio</b>	<b>Points Earned</b>
< 2.75%	5.0
2.99 - 2.75%	4.5
3.24 - 3.00%	4.0
3.50 - 3.25%	3.5
> 3.50%	3.0

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Balanced Scorecard Model Index Plan*

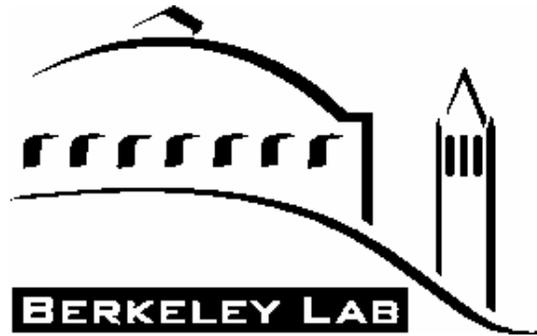
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**EXHIBIT II**

**FY 2007 APPENDIX B**

**PROPERTY MANAGEMENT**

**BALANCED SCORECARD MODEL INDEX PLAN**



**Fiscal Year 2007**

**Appendix B**

**Property Management**

**Balanced Scorecard Model Index Plan**

*Lawrence Berkeley National Laboratory*

*University of California Laboratory Management Office*

*Department of Energy - Berkeley Site Office*

**Prime Contract No. DE-AC02-05CH11231**

**Issued September 25, 2006**

**Revised April 2007**

*Acquisition and Property Management Systems  
Balanced Scorecard Model Index Plan*

**1.0 Introduction**

The Property Management Balanced Scorecard (BSC) Model Index is a single, comprehensive instrument designed to provide systematic, ongoing measurement and evaluation of the LBNL property management system.

The Property Management Functional Team Leaders from the Lawrence Berkeley National Laboratory (LBNL), the U.S. Department of Energy (DOE) Berkeley Site Office (BSO), and the University of California Laboratory Management Office (UCLMO) have agreed to use the BSC Model Index, according to the methodology described herein, for the FY 2007 evaluation of Contract No.: DE-AC02-05CH11231 (Contract 31), Appendix B, *Performance Evaluation Measurement Plan (PEMP)*.

Property Management Functional Team Leaders:



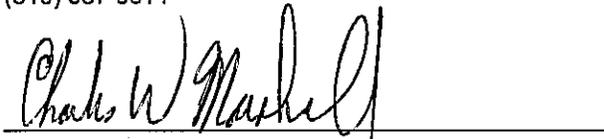
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University of California, Laboratory Management Office  
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Approval Date: 6-8-07

## **2.0 Background**

The BSC Model Index measures consistency with the fiduciary responsibilities outlined in Contract 31, provides a framework for understanding and meeting customer expectations, and highlights the balance between performance and cost. It emphasizes the overall goal that cost, quality, and cycle time must be simultaneously improved.

The model is intended to be used as a single-assessment vehicle for scoring under Contract 31, Appendix B, FY 2007 PEMP Objective 6.2, *Provide an Efficient, Effective, and Responsive Acquisition and Property Management System(s)*. An additional aspect is that it reflects the core objectives and performance measures established under the *DOE Contractor Personal Property Management Balanced ScoreCard*.

Changes in regulations or requirements, decreases in funding, or new initiatives may require modifications to measured activities, gradients, and desired outcomes. Such modifications will require agreement by the LBNL, DOE BSO, and UCLMO Functional Team Leaders and Steering Committee review (see *Guidelines for Development of Contract No. DE-AC02-05CH111231, Appendix B, Performance Evaluation and Measurement Plan [PEMP], Fiscal Year 2007*).

## **3.0 Customers**

The primary internal customers of the LBNL Property Management system are the Division Property Representatives and Property Coordinators. The Laboratory Principal Investigators are the external customers. DOE is the Laboratory's primary stakeholder.

The Property Management system supports the scientific mission of the Laboratory by ensuring that the acquisition, control, identification, and utilization of personal property benefit researchers, the Laboratory, and taxpayers.

#### **4.0 Matrix Overview**

The BSC Model Index is comprised of a matrix (scorecard) in table format designed to document the performance results for the most current reporting period. Measurement and scoring are ongoing and LBNL, DOE, and UCLMO can access the quarterly performance scores at anytime during the assessment period in order to measure the health of the property system. Quarterly reporting allows for quick intervention in any element and serves as a key component of the DOE Operational Property Management Awareness Program. The BSC Model Index results will be officially reported to DOE as scheduled.

The BSC Model Index scorecard provides feedback on both internal business processes and outcomes to assist in continually improving the work processes and the resulting products delivered. It measures critical activities where outcomes may have immediate impact on customers and activities where outcomes may have a delayed impact on customers.

The *FY 2007 Property Management BSC Matrix* (as shown in Attachment A) is designed to evaluate performance within the context of four major perspectives. These perspectives are:

Customer  
Internal Business  
Learning and Growth  
Financial

These perspectives are then subdivided into specific performance measures. They are:

##### **CUSTOMER PERSPECTIVE**

Effective Service/Partnership  
External Customer Satisfaction  
Internal Customer Satisfaction  
Accuracy of and Consent to Property Assignments

##### **INTERNAL BUSINESS PERSPECTIVE**

Effective Life Cycle Management  
Asset Accountability (Equipment / Sensitive)  
Equipment Utilization (Vehicles)

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- Excess Processing
- Use of Information Technology
  - On-Line Sales
- Purchase Card Acquisitions
  - Recording Timeliness of Database Recording
- Subcontractor Held Property
  - Identified and Tracked

**LEARNING AND GROWTH PERSPECTIVE**

- Employee Alignment
  - Training
  - Individual Development Plans
  - Annual Performance Evaluations

**FINANCIAL PERSPECTIVE**

- Cost Efficiency
  - Baseline Major Processes
  - Improve Efficiency Trend of Targeted Processes
- Fleet Composition
  - SUV Off-Road Use
- Petroleum Requirements
  - Reduction in Usage

**5.0 Measurement and Scoring Methodology**

**5.1 Measurement**

Methods of measurement for the core elements were determined based on a cost/benefit analysis. Statistical sampling will be employed where it will provide a cost benefit, while assuring accuracy and precision of results commensurate with the specific measure.

## 5.2 Target

DOE Headquarters has identified national targets for the balanced scorecard measures. Gradients have been established for each BSC Model Index measure based on these targets and the Laboratory's historical performance.

## 5.3 Point Value

LBNL, DOE, and UCLMO established a consensually acceptable point value for each measure. The range in point value is from 0 to 10 per measure. Points for each measure will be assigned based on performance against the gradients established, as defined in *Attachment B, FY 2007 Property Management BSC Model Index Scoring Methodology*. The points are distributed to the following perspectives:

<b>PERSPECTIVE</b>	<b>POINTS</b>
Customer	20
Internal Business	46
Learning and Growth	10
Financial	24
<b>TOTAL</b>	<b>100</b>

If the Laboratory fails to perform an activity during the fiscal year and LBNL, DOE, and UCLMO agree in advance that the activity will not be performed the three parties will determine an equitable way of distributing the assigned points.

## 5.4 Overall Scoring

The total earned points for each core element are added together to arrive at the overall score for the organization. One hundred (100) points are available as specified in Attachment A. Property Management will use the Scoring Methodology provided on Page 1 and 2 of the *Acquisition and Property Management Systems Balanced Scorecard Plans*, to convert the total points achieved to a PEMP Score.

## **6.0 BSC Model Index Scoring Methodology**

*Attachment B, FY 2007 Property Management BSC Model Index Scoring Methodology* describes the process used to establish the individual performance measure results, the mathematical approach used to calculate the results, and the criteria for establishing the numerator and denominator values.

## **7.0 Reporting**

Quarterly reports and briefings will be provided to DOE BSO and UCLMO. The reports will include necessary narrative, the overall score, and the numerical scores for each core measure; the supporting activity score for each measured activity; and required supporting documentation. Supporting documentation may be a narrative report, graph, chart, or spreadsheet. DOE BSO will provide LBNL with written feedback during the year as to how they perceive performance against the measures and any other concerns they have related to contract performance, whether or not they are reflected in the measures.

The Property Team (LBNL, DOE BSO, and UCLMO) will meet as required to coordinate on issues.

LBNL Property Management will provide “as-needed” debriefings to DOE BSO and UCLMO on critical accomplishments, such as property inventory results.

**ATTACHMENT A**  
**FY2007**  
**PROPERTY MANAGEMENT BSC MATRIX**

#	REF	OBJECTIVE	CM #	CORE MEASURES	CORE ELEMENTS	TARGET	POINTS AVAILABLE	POINTS EARNED
<b>Customer Perspective</b>								
	1	B-12		<b>EFFECTIVE SERVICE/PARTNERSHIP</b> (i.e., responsiveness, cooperation, quality, timeliness, and level of communication).	1-a	External customer satisfaction: Extent that external customers are satisfied with specific personal property products and services.	80.0%	5
					1-b	QUALITY: Extent of external customer satisfaction with the quality of the information and services provided or percent of products and services that met external customers' quality expectations.		
					1-c	PARTNERSHIP: Extent of external customer satisfaction with the responsiveness, cooperation, and level of communication with the personal property office.		
	2	B-13			2-a	INTERNAL CUSTOMER SATISFACTION: Extent that internal customers are satisfied with specific personal property products and services.	80.0%	5
					2-b	QUALITY: Extent of internal customer satisfaction with the quality of specific personal property products and services or percent of products and services that met internal customers' quality expectations.		
					2-c	PARTNERSHIP: Extent of internal customer satisfaction with the responsiveness, cooperation, and level of communication with the personal property office.		
	3	B-14			3-a	ACCURACY OF AND CONSENT TO PROPERTY ASSIGNMENTS (INTERNAL): Percent of sampled property items confirmed by the accountable individual or organization as being properly assigned.	98.0%	5
	4				3-b	PERCENT OF SAMPLED SENSITIVE ITEMS CONFIRMED BY THE ACCOUNTABLE INDIVIDUAL OR ORGANIZATION AS BEING PROPERLY ASSIGNED.	98.0%	5
<b>Internal Business Perspective</b>								
	5	B-22		<b>Effective Life Cycle Management of Assets to Meet Departmental Missions</b>	1-a	ASSET ACCOUNTABILITY: Percent of equipment and sensitive property subject to physical inventory located during inventory.	99.0%	10
	6					Percent of equipment property inventory located during physical inventory by items.	98.0%	10
	7					Percent of sensitive property inventory located during physical inventory by acquisition cost.	99.0%	10
	8					Percent of sensitive property inventory located during physical inventory by items.	98.0%	10
	9	B-23			2-a	EQUIPMENT UTILIZATION: Percent of equipment meeting Federal or local utilization standards or objectives.	90.0%	0
	10	B-24			3-a	PERCENT OF INCREASE IN THE VOLUME OF ITEMS REPORTED EXCESS AND DISPOSED OF WITHIN 180 DAYS AS COMPARED WITH THE PREVIOUS CYCLE.	8.0%	0
	11			<b>Use of Information Technology to Improve Asset Management Performance</b>	2-a	PERCENT OF SURPLUS ITEMS SOLD USING "ON LINE" SALES MEDIA DURING THE YEAR.	10.0% per year for two years (FY 2006 and FY 2007)	6
	12			<b>Ensure that personal property acquired via purchase card is recorded in the property and financial management systems.</b>	3-a	PERSONAL PROPERTY IS NOT ALLOWED TO BE PURCHASED WITH A PURCHASE CARD, UNLESS AN EXCEPTION IS GRANTED BY THE PROPERTY MANAGER.	98.0%	0
	13			<b>Ensure that subcontractor-held personal property is recorded in the contractor's property management system.</b>	4-a	PERCENT OF SUBCONTRACTOR-HELD PROPERTY THAT IS IDENTIFIED IN THE CONTRACTOR'S PROPERTY INVENTORY DATABASE UPON REVIEW OF INVOICES AND/OR SCHEDULED INVENTORIES.	98.0%	0

ATTACHMENT A  
FY2007  
PROPERTY MANAGEMENT BSC MATRIX

#	REF	OBJECTIVE	CM #	CORE MEASURES	CORE ELEMENTS	TARGET	POINTS AVAILABLE	POINTS EARNED	
<b>Learning and Growth Perspective</b>									
14	B-33	Employee Alignment	2-a	Employee Alignment: Percent of property management employees having performance expectations and training requirements that respond to BSC objectives.	Percent of scheduled training, supporting BSC objectives, completed by personal property management employees during the period.	93.0% scheduled training completed	7		
15			2-b		Percent of personal property professional staff with an individual development plan based on BSC objectives.	90.0% of personal property professional staff have individual development plans.	2		
16			2-c		Percent of personal property professional staff that received an annual review of performance against BSC objectives.	90.0% of personal property professional staff receive annual performance evaluations.	1		
<b>Financial Perspective</b>									
17	B-38	Optimum Cost Efficiency of Property Management Operations	1-a	Optimum Cost Efficiency - Internal Processes		Capture cost and performance data for the Loans, Borrow, and Off Site Controls process. Identify two process selected for improved efficiencies, increased quality, or reduced costs for trending over the next two years. Develop, document, and where possible implement opportunities for improvements in these two areas.	10		
18			1-b	Optimum Cost Efficiency - Functional Evaluation		Report on progress of Project Plan development and identify and report on implementation of key changes in the areas identified for improved efficiency.	10		
19		Ensure the fleet is comprised of vehicles needed to meet the site's mission and still achieve maximum economy and efficiency.	2-a	By each non-law enforcement sport utility vehicle (SUV), compare the number of trips made that required driving on other than normal road conditions with the total number of trips the SUV made.	Note: All SUV's at LBNL are used by either Security or Emergency Services organizations.	N/A	0		
20		Ensure DOE meets the reduction of petroleum consumption requirement of Executive Order 13149.	3-a	The percent of reduced petroleum consumption within entire motor vehicle fleet, as compared with FY 1999 petroleum consumption levels.		As compared with FY 1999 petroleum consumption levels, for FY 2007, demonstrate a significant improving trend in reducing the net petroleum consumption, and by FY 2008 achieve at least 20% petroleum consumption reduction.	4		
<b>TOTAL POINTS</b>							<b>100</b>		

**Attachment B**

**FY 2007 Property Management BSC Model Index Scoring Methodology**

**CUSTOMER PERSPECTIVE**

**1.0 External Customer Satisfaction – Laboratory Property Custodians**

Laboratory property custodians, defined as external customers, will be surveyed to capture responses as soon as possible after they have interacted with the property management staff in a number of defined transactions:

- (1) Requesting guidance or assistance on a general Property Management issue;
- (2) Requesting a Field Tag or Retag;
- (3) Requesting a loan be established, extended or closed;
- (4) Requesting a Transfer In or Transfer Out;
- (5) Establishing a Borrow Agreement;
- (6) Requesting an Off-Site Control file, or
- (7) Other.

Property Management will use web-based and direct telephone surveys to obtain customer feedback in a format that can be easily viewed and interpreted. Each transaction-resolution e-mail response from Property Management staff will include a link to an online, anonymous survey. The survey will include check boxes for survey participants to identify the basis for the survey and to provide specific, individual comments. Our effort aims to obtain survey results from a sufficient number of customers to constitute a valid sample.

The questions will be based on three criteria: Timeliness, Quality, and Partnership. Responders will be asked to grade the service in these areas based on a 1 (low) to 5 (high) scoring methodology. An average score per survey of 3 or better on the 5 point scale will indicate a satisfied customer.

Surveys with an average score of less than 3 will be reviewed with the Site Office Contracting Officer for determination as to whether the specific comments provided are appropriate for the satisfaction survey, or if no comments were provided, should the survey feedback be taken into consideration. The formula to calculate the overall external customer satisfaction rating will be:

% =	Number of satisfied Property Custodians
	Total number of Property Custodians responding to survey

Measure: Extent that external customers are satisfied with specific personal property products and services.

BSC Target = 80.0%

**Acquisition and Property Management Systems  
Balanced Scorecard Model Index Plan**

Gradients:

<b>External Customer Satisfaction Rating</b>	<b>Points Earned</b>
>= 85.0%	5.0
82.0 - 84.9%	4.5
78.0 - 81.9%	4.0
73.0 - 77.9%	3.5
67.0 - 72.9%	3.0
< 67.0%	0

**2.0 Internal Customer Satisfaction – Property Representatives and Property Coordinators**

All Laboratory Property Representatives and Property Coordinators, having been defined as internal customers, will be requested to respond to a survey, prepared and tabulated by the Property Management Advisory Board, during the third quarter of the fiscal year. The survey will be based on questions relating to communication, database functionality, and efficiency, using the three factors of Timeliness, Quality, and Partnership as key criterion. Internal customers will be requested to grade these areas based on a 1 (low) to 5 (high) scoring methodology. The survey also provides for specific, individual comments. An average score per survey of 3 or better on the 5 point scale will indicate a satisfied customer. The formula to calculate the overall internal customer satisfaction rating will be:

% =	Number of satisfied Property Representatives and Property Coordinators
	Total number of Property Representatives and Property Coordinators responding to survey

Measure: Extent that internal customers are satisfied with specific personal property products and services.

BSC Target = 80.0%

Gradients:

<b>Internal Customer Satisfaction Rating</b>	<b>Points Earned</b>
>= 85.0%	5.0
82.0 - 84.9%	4.5
78.0 - 81.9%	4.0
73.0 - 77.9%	3.5
67.0 - 72.9%	3.0
< 67.0%	0

**Acquisition and Property Management Systems  
Balanced Scorecard Model Index Plan**

**3.0 Accuracy of and Consent to Sensitive Property Assignments.**

The Laboratory will utilize the inventory validation population to verify the accuracy of custodian assignments. The sample will be comprised of a statistically justifiable number of assets randomly selected from the sensitive property assets inventory validation population. Property Management will identify the custodian of record for each property asset in the sample. An e-mail will be sent to each custodian identifying the asset(s) assigned to them appearing in the sample, asking them to respond indicating that the assignment is accurate or not accurate.

% =	Number of sampled sensitive assets selected that are accurately assigned to custodians
	Total number of sensitive assets selected from the sensitive property assets inventory validation population

Measure: Percent of sampled sensitive assets confirmed by the accountable individual as being properly assigned.

BSC Target = 98.0%

Gradients:

Sensitive Assets Properly Assigned	Points Earned
>= 98.0%	5.0
95.0 – 97.9%	4.5
91.0 – 94.9%	4.0
86.0 – 90.9%	3.5
80.0 – 85.9%	3.0
< 80.0%	0

**4.0 Accuracy of and Consent to Equipment Property Assignments.**

The Laboratory will utilize the inventory validation population to verify the accuracy of custodian assignments. The sample will be comprised of a statistically justifiable number of assets randomly selected from the equipment property assets inventory validation population. Property Management will identify the custodian of record for each property asset in the sample. An e-mail will be sent to each custodian identifying the asset(s) assigned to them appearing in the sample, asking them to respond indicating that the assignment is accurate or not accurate.

% =	Number of sampled equipment assets selected that are accurately assigned to custodians
	Total number of equipment assets selected from the equipment property assets inventory validation population

Measure: Percent of sampled equipment assets confirmed by the individual as being properly assigned.

BSC Target = 98.0%

**Acquisition and Property Management Systems  
Balanced Scorecard Model Index Plan**

Gradients:

<b>Equipment Assets Properly Assigned</b>	<b>Points Earned</b>
>= 98.0%	5.0
95.0 – 97.9%	4.5
91.0 – 94.9%	4.0
86.0 – 90.9%	3.5
80.0 – 85.9%	3.0
< 80.0%	0

**INTERNAL BUSINESS PERSPECTIVE**

**5.0 Inventory of Equipment Property (Acquisition Cost)**

The Laboratory will perform a wall-to-wall inventory in accordance with the *LBNL Property Management FY 2006 – 2010 Inventory Plan* and the *FY 2007 Wall-to-Wall Inventory Plan* to be submitted to UC for review and to DOE for approval by October 1, 2006.

% =	Acquisition cost of equipment property assets inventoried and accounted for
	Acquisition cost of the equipment property assets in the inventory

Measure: Percent of equipment property inventory located during physical inventory by acquisition cost.

BSC Target = 99.0%

Gradients:

<b>Equipment Property Items Located (By Acquisition Cost)</b>	<b>Points Earned</b>
>= 99.5%	10.0
99.2 – 99.4%	9.0
98.7 – 99.1%	8.0
98.0 – 98.6%	7.0
97.1 – 97.9%	6.0
< 97.1%	0

**6.0 Inventory of Equipment Property (Items)**

The Laboratory will perform a wall-to-wall inventory in accordance with the *LBNL Property Management FY 2006 – 2010 Inventory Plan* and the *FY 2007 Wall-to-Wall Inventory Plan* to be submitted to UC for review and to DOE for approval by October 1, 2006.

**Acquisition and Property Management Systems  
Balanced Scorecard Model Index Plan**

% =	Number of equipment property assets inventoried and accounted for
	Number of equipment property assets in the inventory

Measure: Percent of equipment property inventory located during physical inventory by items.

BSC Target = 98.0%

Gradients:

Equipment Property Items Located (By Item)	Points Earned
>= 98.5%	10.0
98.2 – 98.4%	9.0
97.7 – 98.1%	8.0
97.0 – 97.6%	7.0
96.1 – 96.9%	6.0
< 96.1%	0

### 7.0 Inventory of Sensitive Property (Acquisition Cost)

The Laboratory will perform a wall-to-wall inventory in accordance with the *LBNL Property Management FY 2006 – 2010 Inventory Plan* and the *FY 2007 Wall-to-Wall Inventory Plan* to be submitted to UC for concurrence and to DOE for approval by October 1, 2006.

% =	Acquisition cost of sensitive property assets inventoried and accounted for
	Acquisition cost of the sensitive property assets in the inventory

Measure: Percent of sensitive property inventory located during physical inventory by acquisition cost.

BSC Target = 99.0%

Gradients:

Sensitive Property Items Located (By Acquisition Cost)	Points Earned
>= 99.5%	10.0
99.2 – 99.4%	9.0
98.7 – 99.1%	8.0
98.0 – 98.6%	7.0
97.1 – 97.9%	6.0
< 97.1%	0

**Acquisition and Property Management Systems  
Balanced Scorecard Model Index Plan**

**8.0 Inventory of Sensitive Property (Items)**

The Laboratory will perform a wall-to-wall inventory in accordance with the *LBNL Property Management FY 2006 – 2010 Inventory Plan* and the *FY 2007 Wall-to-Wall Inventory Plan* to be submitted to UC for review and to DOE for approval by October 1, 2006.

% =	Number of sensitive property assets inventoried and accounted for
	Number of sensitive property assets in the inventory

Measure: Percent of sensitive property inventory located during physical inventory by items.

BSC Target = 98.0%

Gradients:

Sensitive Property Items Located (By Item)	Points Earned
>= 98.5%	10.0
98.2 – 98.4%	9.0
97.7 – 98.1%	8.0
97.0 – 97.6%	7.0
96.1 – 96.9%	6.0
< 96.1%	0

**9.0 Vehicle Utilization**

The Laboratory will measure the percentage of vehicles subject to mileage or use criteria that meet mileage or use criteria established per the *Lawrence Berkeley National Laboratory Vehicle Local Use Objectives*. Vehicle utilization will be monitored and reviewed on a quarterly basis. Scoring at the end of the year will be based on the percentage of vehicles meeting mileage or use criteria for the entire year.

The vehicle utilization calculation will be adjusted if vehicles are added or removed from service during the reporting period using the following rules:

- Out of service for repair or returned to the General Services Administration (GSA). The utilization standards will be pro-rated according to the total number of days a vehicle is unavailable for service.
- Utilization for replacement vehicles will be reported the first full month of service after the vehicle it replaced is returned to GSA.

% =	Number of LBNL vehicles subject to mileage or use criteria that meet mileage or use criteria
	Total number of LBNL vehicles subject to mileage or use criteria

Measure: Percent of motor vehicles meeting mileage or use criteria.

BSC Target = 90.0%

**Acquisition and Property Management Systems  
Balanced Scorecard Model Index Plan**

Results will be reported under the DOE Contractor Property Management BSC Program only. No points are assigned to this measure under the Balanced Scorecard Model Index Plan. Even though zero points are assigned, it is the Laboratory's intent to develop and implement a program by July 1, 2007, to collect vehicle utilization data, report utilization status to vehicle custodians, the BSO Property Officer, and Laboratory Management; and to review underutilized vehicles in accordance with the LBNL Vehicle Utilization Criteria.

**10.0 Excess Processing**

During FY 2005, the Laboratory declared excess and disposed of 1,891 property assets within the 180-day criteria establishing a baseline, as required by this measure, for determining future improvement. The target for determining successful performance against this measure in FY 2007 is whether the Laboratory can increase the number of assets disposed of within the 180-day criteria by 8 percent over the level achieved in FY 2006.

The Laboratory will determine the population size for all disposal actions completed within the 180-day criteria and compare it to the FY 2006 result. The measure will be based on determining whether the percentage increase in disposal actions from FY 2006 to FY 2007 is 8 percent or greater.

% Change =	Number of assets disposed of within 180 days (current year – prior year)
	Number of assets disposed of within 180 days during prior year

Measure: Increase the number of assets disposed of within the 180-day criteria by 8 percent over the FY 2006 result.

BSC Target = 8.0%

Results will be reported under the DOE Contractor Property Management BSC Program only. No points are assigned to this measure under the Balanced Scorecard Model Index Plan.

**11.0 Information Technology**

The Excess Group established a process for selling surplus items via “on line” sales. The two types of assets the Laboratory will use for on-line sales will be machine tools and vehicles.

The two-year goal (FY 2006 – FY 2007) is to increase the number of “items” sold “on-line” by 10% per year when compared with prior year on-line sales. For FY 2007, to earn all the points, 10% more items must be sold “on-line” compared to FY 2006.

% Change =	Number of items* sold “on-line” (current year – prior year)
	Total number of items* sold on-line during prior year

\* Asset categories selected for FY 2007 are machine tools and vehicles.

Measure: Percent of surplus items sold using "on line" sales media during the year.

BSC Target = Increase percentage of on-line sales achieved in FY 2006 by 10.0% or more.

**Acquisition and Property Management Systems  
Balanced Scorecard Model Index Plan**

Gradients:

Number of Items Sold On-Line	Points Earned
23	6.0
21-22	5.5
19-20	5.0
17-18	4.5
15-16	4.0
13-14	3.5
11-12	3.0
9-10	2.5
8 or less	0

**12.0 Purchase Card Acquisitions**

The Laboratory will ensure that tagged (sensitive and equipment property) assets acquired via a Purchase Card are recorded in the property and financial database. The Laboratory policy is not to permit the acquisition of sensitive or equipment property via the Purchase Card. However, on occasion, exceptions are made requiring the Property Manager's approval. Property Management has established a methodology for tracking these exceptions with Procurement and Receiving and will report performance each quarter. This measure will be scored on whether or not those exceptions are processed in a timely manner (72 hours of receipt of property).

% =	Number of tagged personal property items acquired via purchase card that were recorded into the property and financial databases within 72 hours
	Total number of tagged personal property items acquired via purchase card

Measure: Percent of personal property acquired via purchase card that is recorded in the property and financial databases within 72 hours of receipt of property.

BSC Target = 98.0%

Results will be reported under the DOE Contractor Property Management BSC Program only. No points are assigned to this measure under the Balanced Scorecard Model Index Plan.

**13.0 Subcontractor-Held Property**

The goal of this measure is to ensure that all subcontractor-held personal property is recorded in the Laboratory's property management system. Assets may be provided as Government Furnished Property (GFP) or as Subcontractor Acquired Property (SAP). GFP and SAP assets are both included relative to this performance measure. Berkeley Laboratory's Property Management organization tracks and controls GFP and SAP based on notification from Procurement who is responsible for providing copies of the subcontract to Property Management. Property Management will submit a request to all known subcontractors with GFP or SAP, requesting they provide documentation verifying the GFP or SAP under their control. Property will ensure applicable equipment and sensitive assets are identified in the property database. Note: Property Management does not review invoices from subcontractors.

% =	$\frac{A - (B + C)}{A}$
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A = Number of subcontractor-held bar-coded assets identified in the Laboratory's property database.

B = Number of subcontractor-held bar-coded assets in the Laboratory's property database not located during the subcontractors' inventory.

C = Number of subcontractor-held bar-coded inventoried assets not identified in the Laboratory's property database.

Measure: Percent of subcontractor-held property that is identified in the contractor's property inventory database upon review of invoices and/or schedule inventories.

BSC Target = 98.0%

Results will be reported under the DOE Contractor Property Management BSC Program only. No points are assigned to this measure under the Balanced Scorecard Model Index Plan.

**LEARNING AND GROWTH PERSPECTIVE**

**14.0 Employee Alignment – Training**

Employee training encompasses two categories of Laboratory employees. The employees are either matrixed staff members who support the decentralized property management function in the Divisions or the core Property Management professional staff.

The Property Management office will provide structured, scheduled training on a variety of property related subjects to the Divisional matrixed staff members that support BSC objectives. In addition, the core Property Management professional staff will participate in scheduled training that supports the BSC objectives. The training may be offered on-site, off-site, and through external institutions and/or associations such as the National Property Management Association.

**Acquisition and Property Management Systems  
Balanced Scorecard Model Index Plan**

% =	Number of personal property core professional staff and staff matrixed to Divisions that completed scheduled training supporting BSC objectives
	Total number of personal property professional staff and staff matrixed to Divisions

Measure: Percent of scheduled training, supporting BSC objectives, completed by personal property management employees during the period.

BSC Target = 93.0%

Gradients:

% of Scheduled Training Completed	Points Earned
>= 93.0%	7.0
< 93.0%	0

### 15.0 Employee Alignment – Individual Development Plans

Individual Development Plans will be included in the annual Performance Evaluations of all Property Management staff. These Development Plans will be based on the BSC objectives.

% =	Number of personal property professional staff with an individual development plan based on BSC objectives
	Total number of personal property professional staff

Measure: Percent of personal property professional staff with an individual development plan based on BSC objectives.

BSC Target = 90.0%

Gradients:

% Staff With Individual Development Plan Based on BSC Objectives	Points Earned
>= 90.0%	2.0
< 90.0%	0

### 16.0 Employee Alignment – Annual Performance Evaluations

The Property Management professional staff will be given an annual performance evaluation which will include measurement against BSC objectives.

**Acquisition and Property Management Systems  
Balanced Scorecard Model Index Plan**

% =	Number of personal property professional staff that have an annual review of performance against BSC objectives
	Total number of personal property professional staff

Measure: Percent of personal property professional staff that received an annual review of performance against BSC objectives.

BSC Target = 90.0%

Gradients:

% of Staff That Received an Annual Review of Performance Against BSC Objectives	Points Earned
>= 90.0%	1.0
< 90.0%	0

**17.0 Optimum Cost Efficiency - Internal Processes**

During FY 2007, the Laboratory will continue to test and evaluate changes to the Loans, Borrows, and Off Site Controls processes implemented in FY 2006. A detailed review of all open Loans, Borrows, and Off Site Controls begun in FY 2006 will be completed in FY 2007. Cost and performance data will be captured during the review and trended through FY 2009.

In addition, two of the following four processes, Asset Creation, Walk Through Program, Workstation Standardization and Centralization, and Liaison Function will be identified and analyzed for opportunities for improved efficiencies, increased quality, and reduced costs. The Laboratory will document and report on such opportunities and on instances where implementation has begun and/or results have been achieved during the fiscal year.

Measure: Identification and implementation of process improvements.

Target = Capture cost and performance data for the Loans, Borrows, and Off Site Controls processes. Select two processes for improved efficiencies, increased quality, or reduced costs for trending over the next two years. Develop, document, and where possible implement opportunities for improvements in these two areas. If target is met, the Laboratory will earn 10 points.

**18.0 Optimum Cost Efficiency - Functional Evaluation**

During FY 2006, Property Management underwent a Program Review designed to facilitate and support the planned reengineering of the Property function. The Review addressed risks, resources, quality, systems, and configuration of the organization. Recommendations were also provided.

As a result of the review, the reengineering of the Property function has been defined as a Project and a Project Manager has been assigned.

**Acquisition and Property Management Systems  
Balanced Scorecard Model Index Plan**

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During FY 2007, Property Management will work with the Project Manager to develop and implement a detailed Project Plan that will address the recommendations provided by the Program Review.

Property Management will report on the progress of the overall plan development in addition to identifying and reporting out on the implementation of key changes in the critical areas of (1) Policies and Procedures, (2) Asset Management System, and (3) Decentralization necessary to improve efficiency.

Measure: Improving the efficiency of the Property Management function.

Target = Report on progress of the Project Plan development and identify and report on implementation of key changes in the areas identified for improved efficiency. If target is met, the Laboratory will earn 10 points.

**FINANCIAL PERSPECTIVE**

**19.0 Fleet Composition**

The goal of this measure is to ensure that for each non-law enforcement sport utility vehicle (SUV) the number of trips made that required driving on other than normal road conditions is compared with the total number of trips the SUV made.

NOTE: Berkeley Lab only has four SUV's; three are used by Security and one for Emergency Services. Therefore, no points are assigned to this measure and no points may be earned.

**20.0 DOE Fuel Reduction Requirement**

In comparison to Berkeley Lab's FY 1999 petroleum consumption level, the Laboratory will demonstrate a significant improving trend in reducing the net petroleum consumption, and by FY 2008 the Laboratory will achieve at least 20% petroleum consumption reduction.

% =	FY 2007 Petroleum Consumption level
	FY 1999 Petroleum Consumption level

Measure: Percent of reduced petroleum consumption within entire motor vehicle fleet, as compared with FY 1999 petroleum consumption levels.

Target = Significant improving trend in FY 2007 compared to FY 1999 petroleum consumption level.  
Note: 20% Reduction by FY 2008.





**FISCAL YEAR 2007**

**APPENDIX B  
PROCUREMENT BALANCED SCORECARD REPORT**

**In Compliance With**

**Prime Contract DE-AC02-05CH11231**

**Section J, Appendix B**

**Performance Evaluation and Measurement Plan (PEMP)**

**Acquisition and Property Management Systems Balanced Scorecard Model Index Plan**

**October 29, 2007**

**Lawrence Berkeley National Laboratory  
FY 2007 Appendix B, Procurement Balanced Scorecard Report**

**INTRODUCTION/BACKGROUND**

DOE Contractor: Ernest Orlando Lawrence Berkeley National Laboratory

Prime Contract No.: DE-AC02-05CH11231 (Management and Operating)

Points of Contact: Mr. James S. Hirahara  
Executive Director, Business and Finance  
UC Laboratory Management  
Telephone Number: (510) 987-0614

Mr. Derrol Hammer  
Manager, Procurement and Property Management  
Lawrence Berkeley National Laboratory  
Telephone Number: (510) 486-6019

Mr. John Speros  
Manager, Policy, Assurance, and Systems  
Lawrence Berkeley National Laboratory  
Telephone Number: (510) 486-4569

DOE Office: Berkeley Site Office

DOE Contracting Officers: Ms. Maria C. Robles and Mr. Charles W. Marshall

Status of Purchasing System: Approved

Approval Period: June 1, 2005 through May 31, 2010

Approval Threshold: \$10 Million – Effective March 12, 2007  
(unless otherwise stated in Prime Contract)

Period of Assessment: October 1, 2006 – September 30, 2007



**Lawrence Berkeley National Laboratory**  
**FY 2007 Appendix B**  
**Procurement Balanced Scorecard Report**  
**(October 2006 – September 2007)**

Activity/Assigned Points	Gradient	Points Earned	Results				
<p><b>1.1.a.1</b>  <b>Internal Customer Satisfaction Rating</b></p> <p><i>Maximum Annual Points = 15*</i></p> <p><i>*A maximum of two points can either be earned or deducted from the points awarded. Point addition/deduction will be considered by DOE based on an evaluation of the internal customer service activities conducted by Procurement during the year. However, no more than 15 points can be earned for this measure.</i></p> <p><b>Report: Quarterly</b>  <b>Scoring: Annual</b></p>	<p>Percentage of Customers Responding to Survey That Are Satisfied</p> <p>&gt; 92.0% = 15.0 points            82.1 – 92.0% = 13.5 points            72.1 – 82.0% = 12.0 points            62.1 – 72.0% = 10.5 points            &lt; 62.1% = 9.0 points</p>	<p><b>15.0</b></p>	<p><b>Customer Survey:</b></p> <p>The customer survey instrument to be used to obtain customer feedback was presented to BSO and UCLMO for concurrence in April. UCLMO provided input and asked for a change to the survey questions. The Laboratory modified the survey questions and subsequently received BSO and UCLMO's concurrence.</p> <p>Surveys were sent to 70 Laboratory customers in July concurrent with the two post-award Random Sample Reviews conducted under Measure 2.1.a.1, <i>System Self-Assessment Program</i>. Feedback was requested from 37 customers from the Subcontract Administration Self-Assessment sample and 33 customers from the High Value Self-Assessment sample.</p> <p>A total of 52 responses were received back (74.3% response rate). When asked to rate their overall satisfaction with the services received for the procurement, 29 customers stated that they were "Highly Satisfied", 19 were "Satisfied", and 4 were "Unsatisfied."</p> <p>With 48 "Highly Satisfied" or "Satisfied" ratings, the overall Customer Satisfaction Rating is <b>92.3%</b>, earning the Laboratory all 15 points for this measure.</p> <p style="padding-left: 40px;">Internal Customer Satisfaction Rating (92.3%) =            48 Satisfied Internal Customers (Requesters)            52 Internal Customers (Requesters) Responding to Survey</p> <p>The 92.3% result is comparable to the 93.3% achieved in FY 2006.</p> <p><b>Customer Service Activities:</b></p> <p>See <i>Exhibit II, FY 2007 Procurement Customer Service Activities</i> for a description of the customer services activities that have been conducted by Procurement during the fiscal year.</p> <p><b>Historical Year-End Results:</b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th data-bbox="1187 1535 1214 1675">FY 2005</th> <th data-bbox="1187 1675 1214 1816">FY 2006</th> </tr> </thead> <tbody> <tr> <td data-bbox="1214 1535 1295 1675" style="text-align: center;">90.0% (Verbal climate surveys - judgmental sample)</td> <td data-bbox="1214 1675 1295 1816" style="text-align: center;">93.3% (Transaction based surveys - statistical sample)</td> </tr> </tbody> </table>	FY 2005	FY 2006	90.0% (Verbal climate surveys - judgmental sample)	93.3% (Transaction based surveys - statistical sample)
FY 2005	FY 2006						
90.0% (Verbal climate surveys - judgmental sample)	93.3% (Transaction based surveys - statistical sample)						



**Lawrence Berkeley National Laboratory**  
**FY 2007 Appendix B**  
**Procurement Balanced Scorecard Report**  
**(October 2006 – September 2007)**

Activity/Assigned Points	Gradient	Points Earned	Results										
<p><b>2.1.a.1</b>  <b>System Self-Assessment Program</b>  <i>Maximum Annual Points = 30</i></p> <p><i>Scoring for this measure will be based on the results from two post-award reviews to be completed by the end of July 2007, plus any Optional Judgmental Reviews determined to be necessary during the year. Note: The Optional Reviews of Russian Orders and IUTs, to be conducted by IAS this fiscal year, will not be used for scoring this measure).</i></p> <p><i>Maximum Annual Points = 30</i></p> <p><b>Report: Quarterly</b>  <b>Scoring: Annual</b></p>	<p>Procurement Quality Index Average File Score</p> <p>≥ 88.0 = 30.0 points  75.0 – 87.9 = 27.0 points  62.0 – 74.9 = 24.0 points  50.0 – 61.9 = 21.0 points  &lt; 50.0 = 18.0 points</p>	<p><b>30.0</b></p>	<p>Scoring for this measure is based on the results from two random sample post award reviews conducted during FY 2007, Subcontract Administration and High Value Subcontracts. In general, the assessments determined that subcontract administration and high value subcontracts were executed and administered in accordance with applicable policy guidelines, procedures, and accepted business practices and principles governing such actions. Reports summarizing the findings, determinations, and recommended resolutions were presented in reports to DOE-BSO and UC the end of September.</p> <p>The reviews were scored as follows:</p> <p>Subcontract Administration - 3,700 points – 20 decrement points/3,700 points = 99.5%  High Value Subcontracts – 3,500 points – 100 decrement points/3,500 points = 97.1%.</p> <p>The average score from each review was multiplied by its ratio to the total number of transaction samples, and then added together to calculate the overall score. There were 37 Subcontract Administration transactions reviewed and 35 High Value transactions reviewed.</p> <table border="1" data-bbox="828 1071 933 1207"> <tr> <td>Review of Subcontract Administration</td> <td>99.5 x 37/72 = 51.13</td> </tr> <tr> <td>Review of High Value Subcontracts</td> <td>97.1 x 35/72 = 47.20</td> </tr> <tr> <td>Score =</td> <td>98.33</td> </tr> </table> <p>The resulting score is <b>98.33</b>, earning the Laboratory all of the points for this measure.</p> <p>The Procurement Department underwent a Procurement Evaluation and Reengineering Team (PERT) Review January 8 – 12, 2007. The overall outcome of the review was that “No observations of a significant nature were detected.” None of the related findings were found to warrant immediate corrective action and should be resolved in the course of maturing Procurement’s self-assessment, training, supplier management, and documentation control systems.</p> <p>See <i>Exhibit III – FY 2007 Procurement System Self-Assessment Program</i>, for a description of the non-scored assessment activities that have been conducted this fiscal year.</p> <p><b>Historical Year-End Results:</b></p> <table border="1" data-bbox="1315 1701 1372 1774"> <tr> <td>FY 2005</td> <td>FY 2006</td> </tr> <tr> <td>Not Applicable</td> <td>96.13</td> </tr> </table>	Review of Subcontract Administration	99.5 x 37/72 = 51.13	Review of High Value Subcontracts	97.1 x 35/72 = 47.20	Score =	98.33	FY 2005	FY 2006	Not Applicable	96.13
Review of Subcontract Administration	99.5 x 37/72 = 51.13												
Review of High Value Subcontracts	97.1 x 35/72 = 47.20												
Score =	98.33												
FY 2005	FY 2006												
Not Applicable	96.13												



**Lawrence Berkeley National Laboratory**  
**FY 2007 Appendix B**  
**Procurement Balanced Scorecard Report**  
**(October 2006 – September 2007)**

Activity/Assigned Points	Gradient	Points Earned	Results				
<p><b>3.1.a.1</b>  <b>Key Supplier Ratings</b>  <i>Maximum annual points = 10</i>  <b>Report: Quarterly</b>  <b>Scoring: Annual</b></p>	<p>Average Points Achieved By Laboratory Key Suppliers</p> <p>4.50 – 5.00 = 10.0 points            3.75 – 4.49 = 9.0 points            3.00 – 3.74 = 8.0 points            2.00 – 2.99 = 7.0 points            &lt; 2.00 = 6.0 points</p>	<p style="text-align: center;"><b>9.0</b></p>	<p>A new Key Supplier List for FY 2007, with fifteen new Key Suppliers, and an updated Supplier Management Program document were submitted to DOE-BSO and UCLMO for review and concurrence on March 27, 2007. Concurrence was received on June 11. Performance feedback regarding performance of 29 Key Suppliers through May 31, 2007, was solicited from internal customers on June 25 using the <i>Lab Customer Evaluation of Subcontractor's Performance</i> form.</p> <p>Key Suppliers were rated on a scale of 1 (Unsatisfactory) to 5 (Exceptional) in four assessment areas: Quality of Work, Timeliness of Performance, Cost Control, and Business Relations. The overall average Key Supplier rating was 3.98. This is somewhat higher than the FY 2006 average rating of 3.77. All of the suppliers had an overall average score of more than 3.0 (Satisfactory).</p> <p>Eight Key Suppliers' scores improved compared to last year. Improvement ranged from +0.19 to +1.17. Seven Key Suppliers were rated less than a "Good" in at least one evaluation category and will be contacted by the subcontract administrator to discuss potential for improvement. The subcontract administrator and technical representative will work closely with the supplier to assist in resolving the performance deficiency.</p> <p>The average Key Supplier Rating of <b>3.98</b> points earns the Laboratory 9 out of 10 points for this measure.</p> <p><b>Historical Year-End Results:</b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="padding: 2px;">FY 2005</td> <td style="padding: 2px;">FY 2006</td> </tr> <tr> <td style="padding: 2px;">Not Applicable</td> <td style="padding: 2px;">3.77 points</td> </tr> </table>	FY 2005	FY 2006	Not Applicable	3.77 points
FY 2005	FY 2006						
Not Applicable	3.77 points						
<p><b>3.1.a.2</b>  <b>Key Supplier Timeliness of Deliveries</b>  <i>Maximum annual points = 0</i>  <b>Report: Quarterly</b>  <b>Scoring: Not Scored</b></p>	<p>Target = 84% of Key Suppliers provide timely delivery of goods and services.</p>	<p style="text-align: center;"><b>Not Scored</b></p>	<p>As stated under Performance Measure 3.1.a.1, Key Suppliers were evaluated through May 31, 2007, using the <i>Lab Customer Evaluation of Subcontractor's Performance</i> form as the survey instrument. The On-Time delivery score is derived by dividing the number of Key Suppliers that received a Satisfactory or better score (<math>\geq 3.0</math> points) in the Timeliness of Performance category by the total number of Key Suppliers evaluated. Twenty-five of the twenty-nine Key Suppliers evaluated (<b>86.2%</b>) received scores of 3.0 or more.</p> <p>The target for this measure has been exceeded; however, data indicates that there are serious issues in the performance of four of the Key Suppliers. These Suppliers will be contacted by the subcontract administrator to discuss potential for improvement. The subcontract administrator and technical representative will work closely with the supplier to assist in resolving performance deficiencies.</p> <p style="text-align: right;">(continued)</p>				



Lawrence Berkeley National Laboratory  
 FY 2007 Appendix B  
 Procurement Balanced Scorecard Report  
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Activity/Assigned Points	Gradient	Points Earned	Results				
3.1.a.2 Key Supplier Timeliness of Deliveries - <i>Continued</i>			<p><u>Historical Year-End Results:</u></p> <table border="1" data-bbox="451 583 509 659"> <tr> <td>FY 2005</td> <td>FY 2006</td> </tr> <tr> <td>100%</td> <td>95.5%</td> </tr> </table>	FY 2005	FY 2006	100%	95.5%
FY 2005	FY 2006						
100%	95.5%						
4.1.a.1 Percentage of Transactions Placed by End-Users <i>Maximum annual points = 0</i> <i>Report: Quarterly</i> <i>Scoring: Not Scored</i>	Target = 40% of transactions will be placed by end-users.	<b>Not Scored</b>	<p>The Laboratory's performance was above the 40% target for this measure with <b>67.0%</b> of all procurement transactions (53,511 out of 79,924) placed by end-users. This result is 4.3% over the FY 2006 result.</p> <p><u>Historical Year-End Results:</u></p> <table border="1" data-bbox="813 1052 872 1127"> <tr> <td>FY 2005</td> <td>FY 2006</td> </tr> <tr> <td>60.9%</td> <td>62.7%</td> </tr> </table>	FY 2005	FY 2006	60.9%	62.7%
FY 2005	FY 2006						
60.9%	62.7%						
4.1.a.2 Percentage of Transactions Placed Through Rapid Purchasing Techniques <i>Maximum annual points = 0</i> <i>Report: Quarterly</i> <i>Scoring: Not Scored</i>	Target = 90% of transactions will be placed through rapid purchasing techniques.	<b>Not Scored</b>	<p>The Laboratory's performance was above the 90% target for this measure with <b>95.1%</b> of all procurement transactions (76,018/79,924) placed through rapid purchasing techniques. This result is 1.0% over the FY 2006 result.</p> <p><u>Historical Year-End Results:</u></p> <table border="1" data-bbox="1133 1465 1192 1541"> <tr> <td>FY 2005</td> <td>FY 2006</td> </tr> <tr> <td>94.0%</td> <td>94.1%</td> </tr> </table>	FY 2005	FY 2006	94.0%	94.1%
FY 2005	FY 2006						
94.0%	94.1%						



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Activity/Assigned Points	Gradient	Points Earned	Results				
<p>4.1.a.3            Percentage of Transactions Placed Through Electronic Commerce  <i>Maximum annual points = 5</i>  <b>Report: Quarterly</b>  <b>Scoring: Annual</b></p>	<p>Percentage of Transactions Placed Through Electronic Commerce  <math>\geq 30.0\%</math> = 5.0 points  <math>25.0 - 29.9\%</math> = 4.5 points  <math>20.0 - 24.9\%</math> = 4.0 points  <math>15.0 - 19.9\%</math> = 3.5 points  <math>&lt; 15.0\%</math> = 3.0 points</p>	<p>5.0</p>	<p>The cumulative percentage of transactions placed through electronic commerce was <b>42.7%</b> (34,103 out of 79,924). This result is 6.1% over the FY 2006 result.            The Laboratory performed above the goal of 30.0% and earns all five points.  <b>Historical Year-End Results:</b></p> <table border="1" data-bbox="586 758 667 831"> <tr> <td>FY 2005</td> <td>FY 2006</td> </tr> <tr> <td>34.5%</td> <td>36.6%</td> </tr> </table>	FY 2005	FY 2006	34.5%	36.6%
FY 2005	FY 2006						
34.5%	36.6%						
<p>4.1.a.4            Average Cycle Time (Days) for Transactions More Than \$100,000  <i>Maximum annual points = 0</i>  <b>Report: Quarterly</b>  <b>Scoring: Not Scored</b></p>	<p>Target = 25 to 30 days</p>	<p>Not Scored</p>	<p>The cumulative average cycle time result through September was <b>16.8 days</b>. This cycle time is slightly longer than the FY 2006 result of 14.6 days but significantly exceeds the target of 25 to 30 days. The implementation of 10 CFR 851 requirements for subcontracts to have a written Worker Safety and Health Program safety plan has added review time to applicable procurements.  <b>Historical Year-End Results:</b></p> <table border="1" data-bbox="846 1094 959 1230"> <tr> <td>FY 2005</td> <td>FY 2006</td> </tr> <tr> <td>23.8 Days</td> <td>14.6 Days</td> </tr> </table>	FY 2005	FY 2006	23.8 Days	14.6 Days
FY 2005	FY 2006						
23.8 Days	14.6 Days						
<p>4.1.a.5            Average Cycle Time (Days) for Transactions Equal To or Less Than \$100,000  <i>Maximum annual points = 0</i>  <b>Report: Quarterly</b>  <b>Scoring: Not Scored</b></p>	<p>Target = 6 to 9 days</p>	<p>Not Scored</p>	<p>The cumulative average cycle time result through September was <b>6.1 days</b>. This cycle time result is almost the same as the FY 2006 result of 6.0 days.  <b>Historical Year-End Results:</b></p> <table border="1" data-bbox="1170 1514 1235 1598"> <tr> <td>FY 2005</td> <td>FY 2006</td> </tr> <tr> <td>7.5 Days</td> <td>6.0 Days</td> </tr> </table>	FY 2005	FY 2006	7.5 Days	6.0 Days
FY 2005	FY 2006						
7.5 Days	6.0 Days						



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<p><b>4.1.a.6</b>            Average Cycle Time            (Days) for All            Transactions (Overall)  <i>Maximum annual points = 0</i>  <b>Report: Quarterly</b>  <b>Scoring: Not Scored</b></p>	<p>Target = 8 to 11 days</p>	<p><b>Not Scored</b></p>	<p>The average cycle time result through September was <b>6.5 days</b>. This result is slightly longer but very comparable to the FY 2006 result of 6.2 days.</p> <p><b>Historical Year-End Results:</b></p> <table border="1" data-bbox="537 1234 657 1308"> <tr> <td>FY 2005</td> <td>FY 2006</td> </tr> <tr> <td>8.0 Days</td> <td>6.2 Days</td> </tr> </table>	FY 2005	FY 2006	8.0 Days	6.2 Days
FY 2005	FY 2006						
8.0 Days	6.2 Days						
<p><b>4.1.a.7</b>            Use of Effective            Competition  <i>Maximum annual points = 5</i>  <b>Report: Quarterly</b>  <b>Scoring: Annual</b></p>	<p>Percentage of Dollars Obligated Using Effective Competition (Transactions Over \$100K)</p> <ul style="list-style-type: none"> <li>≥ 50.0% = 5.0 points</li> <li>40.0 – 49.9% = 4.5 points</li> <li>30.0 – 39.9% = 4.0 points</li> <li>20.0 – 29.9% = 3.5 points</li> <li>&lt; 20.0 = 3.0 points</li> </ul>	<p><b>5.0</b></p>	<p>The cumulative percentage of dollars obligated using effective competition through year-end was <b>56.5%</b> (\$59,791,912/\$105,753,601). This result is somewhat lower than 61.9% achieved last fiscal year; however, Procurement exceeded the 50.0% goal by 6.5% and earns all five points.</p> <p>By comparison, FY 2005 result was much higher due to a competitive construction award of \$22.7M. Also, during the first nine months of FY 2005, achievements were assessed utilizing different base exclusions.</p> <p><b>Historical Year-End Results:</b></p> <table border="1" data-bbox="954 1234 1011 1308"> <tr> <td>FY 2005</td> <td>FY 2006</td> </tr> <tr> <td>76.4%</td> <td>61.9%</td> </tr> </table>	FY 2005	FY 2006	76.4%	61.9%
FY 2005	FY 2006						
76.4%	61.9%						



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<p><b>5.1.a Socioeconomic Commitments (Good Corporate Citizenship Through Purchasing)</b>  <i>Maximum annual points = 5</i>  <b>Report: Quarterly</b>  <b>Scoring: Annual</b></p>	<p>Scoring for the measure is based on socioeconomic outreach efforts conducted and the percentage of subcontract obligations made to small business concerns during the fiscal year.</p>	<p><b>5.0</b></p>	<p><b>Socioeconomic Results – Percentage of Subcontract Obligations to Small Business Concerns:</b></p> <table border="1" data-bbox="425 231 896 1129"> <thead> <tr> <th>Small Business Category</th> <th>FY 2006 Year End Result</th> <th>FY 2007 Goal</th> <th>FY 2007 Year End Result</th> <th>+/- Compared to FY 2007 Goal</th> </tr> </thead> <tbody> <tr> <td>Small Business (SB)</td> <td>44.32%</td> <td>41.3%</td> <td>46.97%</td> <td>+5.67%</td> </tr> <tr> <td>Small Disadvantaged Business (SDB)</td> <td>7.32%</td> <td>6.3%</td> <td>8.53%</td> <td>+2.23%</td> </tr> <tr> <td>Women-Owned Small Business (WOSB)</td> <td>4.77%</td> <td>5.8%</td> <td>4.52%</td> <td>-1.28%</td> </tr> <tr> <td>HUBZone Small Business (HUBZone)</td> <td>2.49%</td> <td>2.2%</td> <td>0.80%</td> <td>-1.4%</td> </tr> <tr> <td>Veteran-Owned Small Business (VOSB)</td> <td>1.34%</td> <td>1.0%</td> <td>2.52%</td> <td>+1.52%</td> </tr> <tr> <td>Service-Disabled Veteran-Owned Small Business (SDVOSB)</td> <td>0.33%</td> <td>1.3%</td> <td>1.07%</td> <td>-0.23%</td> </tr> </tbody> </table> <p>The percentage of dollars awarded to small businesses exceeded goals in three of the six socioeconomic concern categories: SB, SDB, and VOSB. Contributing to these results were awards over \$1M to three small businesses: \$5.3M to Cray, Inc., \$1.7M to Systecon, Inc., and \$2.6M to Electric Power Group.</p> <p>The following small business strategic sourcing blanket orders contributed to the small business obligations this year and should result in further growth next year.</p> <ul style="list-style-type: none"> <li>In July 2006, Pacific Supply and Safety, LLC (PSS), an 8(a) WOSB concern became the institutional source for obtaining office supplies at the Laboratory. Obligations under this subcontract were \$1.3M this fiscal year. This is a five-year subcontract, valued at \$5.5M. (continued)</li> </ul>					Small Business Category	FY 2006 Year End Result	FY 2007 Goal	FY 2007 Year End Result	+/- Compared to FY 2007 Goal	Small Business (SB)	44.32%	41.3%	46.97%	+5.67%	Small Disadvantaged Business (SDB)	7.32%	6.3%	8.53%	+2.23%	Women-Owned Small Business (WOSB)	4.77%	5.8%	4.52%	-1.28%	HUBZone Small Business (HUBZone)	2.49%	2.2%	0.80%	-1.4%	Veteran-Owned Small Business (VOSB)	1.34%	1.0%	2.52%	+1.52%	Service-Disabled Veteran-Owned Small Business (SDVOSB)	0.33%	1.3%	1.07%	-0.23%
Small Business Category	FY 2006 Year End Result	FY 2007 Goal	FY 2007 Year End Result	+/- Compared to FY 2007 Goal																																						
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<p style="text-align: center;"><b>5.1.a</b>  <b>Socioeconomic</b>  <b>Commitments</b>  <b>(Good Corporate</b>  <b>Citizenship</b>  <b>Through</b>  <b>Purchasing) -</b>  <b>Continued</b></p>			<ul style="list-style-type: none"> <li>▪ In January 2007, a pilot for ordering electronic and electrical components, test, measurement, and calibration services from PSS as a small business partner of Newark InOne began. In May the pilot ended and ordering was made available Laboratory-wide. Obligations were \$232K this fiscal year. The subcontract value is \$3M, over five years. Obligations should be approximately \$500K next fiscal year.</li> <li>▪ USfalcon, an 8(a) SDVOSB, started providing computer products institution-wide during the 2<sup>nd</sup> quarter. The subcontract value is \$50M, over five years. Obligations were almost \$1.6M this fiscal year and should be between \$2M and \$3M next fiscal year.</li> <li>▪ The pilot phase of a eBuy contract with Government Scientific Source, a VOSB, for ordering of laboratory supplies and equipment, and clean room supplies and chemicals began in August. Obligations were \$110.5K this year. Ordering should be made available Laboratory-wide the beginning of next fiscal year and obligations should be between \$2M and \$3M. This is five year subcontract, valued at \$50M.</li> </ul> <p>At the 8<sup>th</sup> Annual DOE Small Business Conference in Washington DC, June 26 - 28, 2007, the Laboratory was selected as one of 11 DOE facility management contractors to receive FY2006 Secretarial Small Business Awards. The <i>Facility Management Contractor Small Business Advancement Award</i> was given to the Lab in recognition of its outstanding performance for the highest overall dollars and percentage increases in small business subcontracting. The award was presented by Clay Sell, Deputy Secretary of Energy and Theresa Alvililar-Speake, Director of the DOE Office of Economic Impact and Diversity.</p> <p style="text-align: right;">(continued)</p>



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<p>5.1.a            Socioeconomic            Commitments (Good            Corporate Citizenship            Through Purchasing) -  <i>Continued</i></p>			<p><b><u>Socioeconomic Activities:</u></b></p> <p>In addition to the cumulative year-end results, DOE's evaluation of this measure will include the assessment of the Laboratory's outreach efforts. Berkeley Laboratory continued to actively participate in Small Business Outreach activities throughout the Fiscal Year and a list of these activities is provided as <i>Exhibit IV, FY 2007 Laboratory Socioeconomic Outreach Efforts</i>.</p> <p><b><u>Overall Results:</u></b></p> <p>The Laboratory recognizes that not all small business goals were met. However, the Laboratory recommends that the following be considered by DOE in the evaluation of the performance and proposes that all <b>five points</b> be earned:</p> <ul style="list-style-type: none"> <li>▪ The numerous outreach efforts made to small business concerns this year as described in the previously mentioned <i>Exhibit IV, FY 2007 Laboratory Socioeconomic Outreach Efforts</i>.</li> <li>▪ Results for three of the six socioeconomic categories exceeded FY 2007 Small Business Subcontracting Plan goals               <ul style="list-style-type: none"> <li>- The SB goal was exceeded by 5.67% - \$12.3M over the \$69.4M goal</li> <li>- The SDB goal was exceeded by 2.23% - \$4.2M over the \$10.6M goal</li> <li>- The VOSB goal was exceeded by 1.52% - over 2.5 times the \$1.7M goal.</li> </ul> </li> <li>▪ Results for four of the six socioeconomic categories exceeded FY 2006 year-end results               <ul style="list-style-type: none"> <li>- The SB result was 2.65% over the FY 2006 result (6% improvement)</li> <li>- The SDB result was 1.21% over the FY 2006 result (16.5% improvement)</li> <li>- The VOSB result was 1.18% over the FY 2006 result (88.1% improvement)</li> <li>- The SDVOSB result was 0.74% over the FY 2006 result (3 times the FY 2006 result and only 0.23% under the FY 2007 goal).</li> </ul> </li> <li>▪ Obligations to 8(a) concerns were \$4.7M in FY 2007 (2.72% of the purchasing base) compared to \$3.1M in FY 2006 (1.53% of the purchasing base).</li> </ul>



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<p><b>6.1.a.1</b>  <b>Percentage of Satisfied Employees (Climate Survey)</b></p> <p><i>Maximum annual points = 10</i></p> <p><b>Report: Quarterly</b>  <b>Scoring: Annual</b></p>	<p>Procurement Employee Satisfaction Rating</p> <p>≥ 90.0% = 10.0 points            80.0 – 89.9% = 9.0 points            70.0 – 79.9% = 8.0 points            60.0 – 69.9% = 7.0 points            &lt; 60.0% = 6.0 points</p>	<p><b>9.0</b></p>	<p>On November 8, the Procurement Manager met with the Procurement Employee Advisory Council (PEAC), to share the results of the FY 2006 employee satisfaction survey and to request their assistance by administering the FY 2007 employee survey process. This request was made to address concerns that had been raised regarding the integrity of the survey process. The PEAC agreed to administer the survey process and developed an approach for how the surveys would be distributed and collected. PEAC members met with Procurement staff in late March and early April to explain PEAC's mission, role, and membership and to inform everyone that PEAC would be administering the survey process.</p> <p>In late April, approval was received from DOE and UCLMO on the survey instrument and the process PEAC would use to distribute, collect, and tabulate the survey results. In mid-May, 49 employee survey questionnaires were hand delivered and also distributed to Procurement employees via e-mail for response by June 1. The twelve survey questions covered topics relating to workload; quality of work environment; having the tools, materials, and equipment to do their job and work safely; communications; openness to innovation; and ethics. Employees were asked to rate or score their degree of "agreement" with the twelve survey statements on a scale of "1" (strongly disagree) to "5" (strongly agree). If an employee's average score for all twelve questions had a rating of "3" or higher, the employee was considered "Satisfied". In addition, employees were asked to provide an overall satisfaction rating and note any additional comments they had.</p> <p>Forty-seven survey responses were received for a 95.9% response rate. The average score representing the 12 questions for 42 of the employees was equal to "3" or higher and is considered "Satisfied". This <b>89.4%</b> result (42/47) earns the Laboratory nine points for the measure. It is significant to note that, despite the increased response rate, there were fewer dissatisfied employees this FY compared to FY 2006 and FY 2005 (see detail in table below).</p> <table border="1" data-bbox="1112 277 1339 1066"> <thead> <tr> <th></th> <th>FY 2005</th> <th>FY 2006</th> <th>FY 2007</th> </tr> </thead> <tbody> <tr> <td>Surveys Responses</td> <td>41</td> <td>30</td> <td>47</td> </tr> <tr> <td>Surveys Distributed</td> <td>55</td> <td>51</td> <td>49</td> </tr> <tr> <td><b>Response Rate</b></td> <td><b>74.5%</b></td> <td><b>58.8%</b></td> <td><b>95.9%</b></td> </tr> <tr> <td>Satisfied Employees</td> <td>34</td> <td>24</td> <td>42</td> </tr> <tr> <td>Dissatisfied Employees</td> <td>7</td> <td>6</td> <td>5</td> </tr> <tr> <td><b>% of Satisfied Employees</b></td> <td><b>82.9%</b></td> <td><b>80.0%</b></td> <td><b>89.4%</b></td> </tr> </tbody> </table> <p style="text-align: center;">(continued)</p>		FY 2005	FY 2006	FY 2007	Surveys Responses	41	30	47	Surveys Distributed	55	51	49	<b>Response Rate</b>	<b>74.5%</b>	<b>58.8%</b>	<b>95.9%</b>	Satisfied Employees	34	24	42	Dissatisfied Employees	7	6	5	<b>% of Satisfied Employees</b>	<b>82.9%</b>	<b>80.0%</b>	<b>89.4%</b>
	FY 2005	FY 2006	FY 2007																												
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<p><b>6.1.a.1</b>  <b>Percentage of Satisfied Employees (Climate Survey) - <i>Continued</i></b></p>			<p>Question Number 9: "My Workload is Usually Manageable" resulted in the lowest average overall score at 3.19, as it did in FY 2006 with a score of 3.13. Although a satisfactory score, it was significant that over 30% of the responses were in the unsatisfactory range. Procurement has addressed this issue by budgeting to retain all DPU term positions in FY 2008, reorganizing the staff among several Groups, and hiring an additional subcontract administrator in August for Institutional purchasing.</p> <p>Average scores for the other 11 questions ranged from 3.78 to 4.28 and differed from FY 2006 results by +0.4 to -0.27. Since there is a general satisfaction in those areas and less than 15% dissatisfaction, there are no other recommendations planned.</p> <p>The PEAC will meet with the Procurement Manager early next fiscal year to discuss the results and future activities.</p>
<p><b>6.2.a.1</b>  <b>Percentage of Procurement Employees' Performance Evaluation Plans Aligned with Organizational Goals and Objectives</b>  <i>Maximum annual points = 0</i>  <b>Report: 4<sup>th</sup> Quarter</b>  <b>Scoring: Not Scored</b></p>	<p>Target = 98% of Procurement employees' Performance Evaluation Plans aligned with organizational goals and objectives</p>	<p style="text-align: center;"><b>Not Scored</b></p>	<p>In the 4<sup>th</sup> quarter of FY 2006, during the Performance Review and Development (PRD) process, Performance Evaluation Plans for FY 2007 were developed and finalized. The Plans included requirements for alignment with organizational goals and objectives.</p> <p>Plans for the FY 2007 PRD process included instructions for assessing performance and setting objectives for contributions to the Balanced Scorecard by all Procurement employees in the Procurement &amp; Property Management Department. On June 13 and 14, 2007, the Procurement and Property Manager provided an e-mail instruction to all Procurement Department Managers and employees that discussion of contributions related to balanced scorecard objectives and goals were to be addressed during the FY 2007 PRD process.</p> <p>One-hundred percent of the employees' Performance and Evaluation Plans were aligned with organizational goals and objectives by year-end.</p>



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<p><b>6.3.a.1</b>  <b>Employee Training</b>  <i>Maximum annual points = 15</i>  <b>Report: Quarterly</b>  <b>Scoring: Annual</b></p>	<p>See Procurement Balanced Scorecard Report for gradients.</p>	<p style="text-align: center;"><b>14.0</b></p>	<p>The Training Program that was initiated in FY 2006 was deployed in FY 2007 according to the <i>Procurement Training Plan</i> issued on August 31, 2006. Core and Assignment Specific Training scheduled under the Plan was completed as follows:</p> <ul style="list-style-type: none"> <li>▪ Core Training, Terminations of Government Contracts (November 29 and 30, 2006)</li> <li>▪ Assignment Specific Training, Service Contract Act and Davis Bacon Act (February 8, 2007)</li> </ul> <p>Individual Development training needs were identified following the 2006 Performance Review and Development appraisals, and training was scheduled and completed. Group Meeting format training on specific topics identified in the <i>Procurement Training Plan</i> was also completed covering:</p> <ul style="list-style-type: none"> <li>▪ Contract Agreement Types</li> <li>▪ File Documentation Requirements</li> <li>▪ Integrated Safety Management (ISM)</li> <li>▪ Procurement System Entry</li> <li>▪ Reasonableness of Price/Cost – Price Analysis</li> <li>▪ Sole Source Justification</li> </ul> <p>A more comprehensive summary of the training activities completed according to the <i>Procurement Training Plan</i> is provided in <i>Exhibit V, FY 2007 Procurement Training Activities</i>.</p> <p>Improvement to the acquisition process is assessed throughout the year as a component of Measure 2.1.a.1, <i>System Self Assessment Program</i>. Results from Group Manager supervisory and judgmental sample reviews were analyzed and additional training was provided to Procurement staff in a Group Meeting format or on a one-on-one basis, as needed during the year. In addition, results of the following self-assessment reviews and Internal Audits were considered in the selection of training topics for FY 2008:</p> <ul style="list-style-type: none"> <li>▪ Group Manager Supervisory reviews of awards and modifications exceeding subcontract administrators' signature authority</li> <li>▪ Contract Review Boards conducted in Calendar Year 2006</li> <li>▪ Group Manager Judgmental Sample reviews of award and modification transactions over \$25,000, within subcontract administrators' signature authority</li> <li>▪ FY 2007 Random Sample Review of High Value Subcontracts</li> <li>▪ FY 2007 Random Sample Review of Subcontract Administration</li> <li>▪ Internal Audit Services Department Audit, Purchasing Processes for Subcontracts</li> </ul> <p style="text-align: right;">(continued)</p>



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Activity/Assigned Points	Gradient	Points Earned	Results														
<p><b>6.3.a.1</b>  <b>Employee Training - Continued</b>  <i>Maximum annual points = 15</i>  <b>Report: Quarterly</b>  <b>Scoring: Annual</b></p>			<p>FY 2007 was the first year of deployment of the Procurement Training Plan. The approach was systematic, fully deployed, and used as a key management tool. The training program was comprehensive covering a diverse range of topics and executed throughout the fiscal year. The impact of the training provided this fiscal year is beginning to show results but cannot be fully recognized until next year at which time Procurement will be able to detect weakness and gaps in the program as further self-assessment activities are completed. While we believe that this training program has been fully deployed without significant weaknesses or gaps, success will not be evident until well into FY 2008. Therefore, the Laboratory recommends that these factors be considered by DOE in the evaluation of the performance and proposes that 14 out of 15 points be earned.</p>														
<p><b>7.1.a.1</b>  <b>Cost-to-Spend Ratio</b>  <i>Maximum annual points = 5</i>  <b>Report: Quarterly</b>  <b>Scoring: Annual</b></p>	<p>Cost-to-Spend Ratio</p> <p>&lt; 2.75% = 5.0 points            2.99 – 2.75% = 4.5 points            3.24 – 3.00% = 4.0 points            3.50 – 3.25% = 3.5 points            &gt; 3.50% = 3.0 points</p>	<p><b>5.0</b></p>	<table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;">FY 2007 Cum. Through Year-End</td> <td></td> </tr> <tr> <td style="text-align: center;">Procurement Costs</td> <td style="text-align: center;">\$4,717,148</td> </tr> <tr> <td style="text-align: center;">Obligations</td> <td style="text-align: center;">\$202,244,971</td> </tr> <tr> <td style="text-align: center;">Cost-to-Spend</td> <td style="text-align: center;"><b>2.33%</b></td> </tr> </table> <p>The Laboratory's procurement cost to spend a dollar was <b>2.33%</b>. This ratio is the same as the Data Year 2006 Center for Advanced Purchasing Studies DOE/NNSA Contractors Industry mean benchmark of 2.33% and is comparable to the FY 2006 result of 2.22%.</p> <p>The lower cost-to-spend ratio in FY 2006 can be attributed to salary savings as a result of retirements and a reduction in force (RIF) in the last quarter. As of August 2007, the Procurement Department was fully staffed.</p> <p><b>Historical Year-End Results:</b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td></td> <td style="text-align: center;">FY 2005</td> <td style="text-align: center;">FY 2006</td> </tr> <tr> <td style="text-align: center;">Cost-to-Spend Ratio</td> <td style="text-align: center;">2.46%</td> <td style="text-align: center;">2.22%</td> </tr> </table>	FY 2007 Cum. Through Year-End		Procurement Costs	\$4,717,148	Obligations	\$202,244,971	Cost-to-Spend	<b>2.33%</b>		FY 2005	FY 2006	Cost-to-Spend Ratio	2.46%	2.22%
FY 2007 Cum. Through Year-End																	
Procurement Costs	\$4,717,148																
Obligations	\$202,244,971																
Cost-to-Spend	<b>2.33%</b>																
	FY 2005	FY 2006															
Cost-to-Spend Ratio	2.46%	2.22%															
<p><b>Total Assigned Points = 100</b></p>			<p><b>Total Points Earned for Fiscal Year 2007 = 97.0</b></p>														

**OBJECTIVE 6.2 - PROVIDE EFFICIENT, EFFECTIVE, AND RESPONSIVE ACQUISITION  
AND PROPERTY MANAGEMENT SYSTEMS  
SCORING  
TIER 1**

Final Grade	Weighted Score
<b>A-</b>	<b>3.6</b>
A+	4.1 - 4.3
A	3.8 - 4.0
A-	3.6 - 3.7
B+	3.3 - 3.5
B	3.0 - 3.2
B-	2.6 - 2.9
C+	2.3 - 2.5
C	2.0 - 2.2
C-	1.7 - 1.9
D	1.0 - 1.6
F	0 - 0.9

	Score	Multiply By	Weight	Weighted Score
Measure 6.2.a	3.5	x	40%	1.4
Measure 6.2.b	3.6	x	60%	2.2
	<b>Total</b>			<b>3.6</b>

Exhibit I

FY 2007 Berkeley Lab Procurement BSC Matrix Table

Performance Measures/Measured Activities	Gradient	Activity Value	Activity Score	Criteria	Total Points For Activity	Performance Objectives
<b>1.1.a Customer Satisfaction Rating</b>						
1.1.a.1 % of satisfied internal customers (using transactional surveys)	60/70/80/90/100	15	15	Customer Feedback	15	Customer Satisfaction 15
<b>Internal Business Processes</b>						
<b>2.1.a Assessing Systems Operations</b>						
2.1.a.1 System Self-Assessment Program	Average of File Scores <50.0/50.0/62.0/75.0/≥88.0	30	30	Systems Evaluation	30	
<b>3.1.a Measuring Supplier Performance</b>						
3.1.a.1 Key Supplier Management/Strategic Sourcing	Average of Supplier Survey Scores <2.00/2.00/3.00/3.75/≥4.50	10	9	Measuring Supplier Performance	9	
3.1.a.2 Key Supplier Timeliness of Deliveries	Target 84%	0	N/A		10	
<b>4.1.a Measuring Effectiveness</b>						
4.1.a.1 % of transactions placed by end-users	Target 40%	0	N/A			
4.1.a.2 % of transactions placed through Rapid Purchasing Techniques	Target 90%	0	N/A			
4.1.a.3 % of transactions placed through E-commerce	<15.0/15.0/20.0/25.0/≥30.0	5	5			
4.1.a.4 Average Cycle Time (Days), Transactions > \$100K	Target 25 - 30	0	N/A	Pursuing Best Practices	10	
4.1.a.5 Average Cycle Time (Days), Transactions ≤ \$100K	Target 6 - 9	0	N/A			
4.1.a.6 Average Cycle Time (Days), Overall	Target 8 - 11	0	N/A			
4.1.a.7 % of dollars on transactions > \$100K placed through Effective Competition	<20.0/20.0/30.0/40.0/≥50.0	5	5			
<b>5.1.a Socioeconomic Commitments</b>						
Small Business Concerns (% of socioeconomic subcontracting in the following categories and outreach activities.)	Goals	5	5	Management of Internal Business Processes	55	
Small Business	≥41.3%					
Small Disadvantaged Business	≥6.3%					
Women-Owned Small Business	≥5.8%					
HUBZone Small Business	≥2.2%					
Service-Disabled Veteran-Owned Small Business	≥1.3%					
Veteran-Owned Small Business	≥1.0%					
<b>Learning and Growth</b>						
<b>6.1.a Employee Satisfaction Rating</b>						
6.1.a.1 % of satisfied employees (using climate surveys)	<60.0/60.0/70.0/80.0/≥90.0	10	9	Employee Feedback	9	
<b>6.2.a Employee Alignment</b>						
6.2.a.1 % of aligned employees	Target 98%	0	N/A		10	
<b>6.3.a Employee Training</b>						
6.3.a.1 Employee Training	Deployment of Employee Development and Training Program	15	14	Provide Employees With Training, Skills, and Tools	14	Learning and Growth 25
<b>Financial</b>						
<b>7.1.a Cost-to-Spend Ratio</b>						
7.1.a.1 % of purchasing organization cost compared to total procurement	>3.50/3.50/3.24/2.99/<2.75	5	5	Process Cost	5	Managing Financial Aspects 5

Overall Procurement Assessment  
 Final Score = 97  
 100 Points Available

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**EXHIBIT II**

**FY 2007 PROCUREMENT CUSTOMER SERVICE ACTIVITIES**

Procurement Liaisons Program

On September 27, 2006, the Procurement and Property Management Department (P&PM) published an announcement in *Today at Berkeley Laboratory* regarding the establishment of the Procurement Liaisons Program. The announcement included a link to the Procurement Department Website to view a list of procurement liaisons and subject matter experts. The list currently identifies liaison contacts in Procurement for each of the 18 Laboratory Divisions and for 15 subject areas. The Small Business and Socioeconomic Programs subject area was added to the contact list in the 2<sup>nd</sup> quarter.

Procurement liaisons are available to:

- Assist Divisions with strategic planning of acquisition workload.
- Develop contract strategies for critical and high-value procurements.
- Help in resolving project-related issues.
- Answer questions on policies and procedures.
- Resolve questions and problems regarding procedures and requirements related to subject matter.

Liaisons maintain a log of requests for help and complaints that they receive. Following the end of each quarter, Liaisons forward a copy of their log to the Policy and Assurance Group. The information is compiled and submitted for Procurement management's review and assessment. An assessment of the contacts made in the 1<sup>st</sup> - 3<sup>rd</sup> quarters was completed. No system related issues were identified. Statistics on the contacts received are provided below:

	Qtr. 1	Qtr. 2	Qtr. 3
Number of contacts received	91	83	60
Requests for help	88	79	56
Complaints	2	2	4
Requests for help/complaints	1	2	0
Contacts closed during the quarter	81	76	54

Data for the 4<sup>th</sup> quarter will be collected and tabulated in the 1<sup>st</sup> quarter of FY 2008.

Procurement and Supply Chain Steering Committee

The Procurement and Supply Chain Steering Committee (PSCSC) continued to provide effective strategic planning and operational oversight on procurement matters, including supply chain program implementations, and served to ensure Divisional procurement needs and concerns are addressed. The Committee is comprised of senior Laboratory managers and individuals representing all Laboratory Divisions. The Manager of P&PM and the Deputy Procurement Manager are also committee members who attend and facilitate monthly meeting proceedings. A total of ten meetings have convened since the committee's inception in August of 2006. Below is a listing of some of the issues that were discussed and resolved by the Committee:

- Preventing Unauthorized Procurements on Publications: Discussions with the Library resulted in the discovery that most, if not all, of the unauthorized procurements that have occurred are from original publications and not repeat requests. It was pointed out that the knowledge base for publications is low among scientists. It was suggested that the Library initiate an awareness campaign. This issue has been referred to the LBNL Division Business Council with a suggestion to handle these reimbursements directly with Accounting. The Division Business Council has begun scheduling meetings to discuss this issue.
- Role of the Procurement Liaison Program versus the PCSCS: During the 2<sup>nd</sup> quarter the role of the Procurement Liaison Program Vis a Vis PSCSC as vehicles for funneling complaints was clarified. Divisions were advised to channel routine and operational issues to their Procurement Division Liaisons. The PSCSC will handle complaints of a strategic or systemic nature as well as issues elevated from the working ranks.
- Guide for Initiating Procurements: A "How-to" Guide for initiating procurements has been developed with input from the PSCSC and has been submitted for printing. Once printing is complete, the guide will be disseminated to all laboratory employees. The guide was designed to be a useful resource on how best to obtain supplies and services – whether from internal resources or external vendors.
- New Procurement Website: A new Procurement website has been constructed and deployed as part of the broader Office of the Chief Financial Officer (OCFO) website consolidation effort. The site has been simplified and is more user friendly than the old site. The long term vision is to enable the site to be process/decision driven based on what the user wants to buy.
- Temporary Labor: Based on feedback from the PCSCS and Human Resources, a new temporary labor agreement for clerical/administrative support was put into place with Kelly Services during 3<sup>rd</sup> quarter of FY 2007 to overcome a major hurdle to quality temporary labor referrals. The new agreement provides Human Resources and user Divisions the means to compete among various agencies, including Open Systems, Inc., for clerical requirements.
- Cycle-time: The issue of cycle-time was discussed after at least one Division expressed concern regarding perceived delays on some low value procurements. Procurement has implemented a plan to manage the Distributed Purchasing Unit's (DPU) workload assignments from non-Division specific (implemented after the 7/05 DPU Reduction in Force) to Division-dedicated groups of three to four buyers. This way, the user will always have someone to contact in the event of a problem or to expedite orders. The concept of dedicated buyers is an attribute of the old PCard program that seems to appeal to many users.

#### Procurement Customer Training

At the request of the Information Technology (IT) Division, individuals from P&PM provided IT Division Group Leaders and Managers with training in late February. On the first day, the Fabrication and One-Time Purchases Manager and a representative from the Small Business Office conducted the Procurement training with subject matter support from the Policy, Assurance, and Systems Manager. Property Management training was provided the following day with subject matter support from three Procurement Group Managers, one of whom is the Procurement Liaison for the IT Division. Excellent reviews were received from the participants in both sessions. This training provided a forum for interacting, learning, and communicating with internal end-users/technical representatives on relevant process issues for the greater Laboratory community. During the training, the IT Division identified several areas that could be improved upon or added to future training.

On September 24, the Manager of P&PM and two individuals from Environment, Health, and Safety (EH&S) - the Occupational Safety Manager and the CFR 851 Safety Programs Compliance Manager, met with individuals from the Laboratory Joint Genome Institute (JGI) to provide training on the 10 CFR 851 requirement for subcontractors to have a written Worker Safety and Health Program. The contents of the June 5, 2007, *Guide for On-site Subcontractor Safety Plans*, were covered. JGI participants included the Operations Department Head, Facilities Manager, Business Manager, Safety Manager, and the Procurement subcontract administrator and DPU administrator supporting the JGI.

#### Procurement Employee Spot Awards/Outstanding Performance Award – Nominations Received From Laboratory Customers

Security and Emergency Operations nominated four individuals, two from Procurement, for their teaming efforts to develop a security services request for proposal that reflected the Laboratory's intricate security and access needs and requirements. They specifically called out the team's dedication, astuteness, commitment, and overall wherewithal in the success of the project. During the same timeframe, their expertise was also applied to review and develop the Alameda County Fire Department's complete contract for renewal. Both contracts combined involved over \$12M of DOE funds.

A Subcontract Administrator in the Fabrications and One-Time Purchases Group was nominated by the Accounts Payable Department and received a spot award for consistently being relied upon to provide problem solving expertise and excellent customer service to the Laboratory's vendors.

A Senior Subcontracts Administrator in the Computing Sciences Subcontracts Group was nominated and received a spot award from the IT Division for "Managing work and dedication to outstanding customer support."

The Computing Sciences Subcontracts Group Manager was nominated and received a spot award from ESnet for "Being recognized for the outstanding successful procurement, installation and implementation of ESnet's first DMZ (10Gbps network connections across multiple networks at JLAB)."

A Principle Subcontracts Administrator in the Computing Sciences Subcontracts Group was nominated and received a Spot Award for his cost effective and timely work on the Linux Cluster procurement.

A Senior Subcontractors Administrator in the Construction and Institutional Support Group was nominated by Facilities, as part of a Team Outstanding Performance Award, for her procurement assistance with the Warehouse move. She assisted in the many contracts required for the move. The Deputy Director for Facilities stated that, without her support, the move would not have been completed ahead of schedule. She was right there when needed, followed through with the contractors for safety plans, etc., and kept him up-to-date on each contract.

Facilities staff nominated a subcontracts administrator in the Construction Group for a spot award. They stated that the individual was key and essential to the successful delivery of the Oakland Scientific Facility Electrical Distribution System Expansion Project. She put out for bid and awarded multiple subcontracts valued in excess of \$3M in a timely manner. They said the project would have failed without her diligent and constant attention to the total subcontracting package. The project was on-time and on-budget to meet the critical delivery of the NERSC-5 computers.

### Other Customer Service Activities:

During the 1<sup>st</sup> quarter, the Manager of P&PM and the Fabrications and One-Time Purchases Group Manager met with several members of the Engineering Division responsible for optics used at the Advanced Light Source (ALS). The purpose of this meeting was to discuss recurring problems with subcontractors and possible contractual solutions to incentivize their performance. The group identified several upcoming procurements for critical optics as test cases. Procurement has included provisions for early deliveries in several subcontracts for these optics test cases as a way to improve performance. Effectiveness will be assessed as the projects progress next fiscal year.

In March 2007, individuals from P&PM met with the ALS Operations Group and ALS management to discuss workload and service. Procurement was able to gather ALS spend data and determined the level of support that would be needed. The result is that one DPU buyer is dedicated to the ALS for credit card orders and purchase orders less than \$10,000. In addition, three other DPU buyers have been identified as backups. This strategy should improve Procurement's customer service to the ALS. The Manager of P&PM and the Fabrication and One Time Purchases Group Manager will continue to work with the ALS on managing workload and will participate in ALS strategy meetings.

The Fabrications and One-Time Purchases Group Manager participates in monthly Engineering/ALS meetings where they discuss current activities and upcoming procurements. Following the meeting, the Group Manager often stays to discuss particular procurement issues.

An individual from the Fabrications and One-Time Purchases Group participated in strategy meetings with the Material Sciences Division as to what would be needed to move a large equipment donation to the Laboratory. Topics such as shipping, transportation, rigging, and storage were discussed as well as environmental, health, and safety issues.

The Group Manager and the Subcontracts Manager from Procurement's Computing Sciences Subcontracts Group participate in weekly ESnet Group Lead meetings where they discuss various topics such as what is going on within the group, news from the DOE, and future plans, meetings, and events. These discussions often include procurement related topics (e.g., upcoming procurements, future procurement strategy, advice on procurement/financial matters, and issues related to vendors and subcontract administration). The two managers from Procurement are included in the ESnet Group Leader e-mail distribution list. The Subcontracts Manager from the Computing Sciences Subcontracts Group is also on the NERSC Group Leader e-mail list and participates in similar weekly NERSC Group Leader conference calls.

The Construction and Institutional Support Group Manager has been working closely with Facilities to:

- Develop options for obtaining construction services under Indefinite-Delivery, Indefinite-Quantity (IDIQ) type agreements. A new subcontract was developed and awarded for construction only labor and a number of blanket subcontracts have been established with small businesses for small construction tasks.
- Develop strategies with UCOP for three new projects with non-DOE funding. These projects were launched and design firms were selected and put under subcontract while processes were worked out. The subcontracting effort has been turned over to the University of California Berkeley campus.
- Develop more streamlined processes for small construction as part of a task force with the Facilities Division and EH&S.
- Explore options for contracting out project management support services and engineering support services to compensate for reduction in Facilities staff.

The Construction and Institutional Support Group Manager has also been in discussions with programmatic staff to develop strategies for procurement support of several unique new programs, for example:

- The West Coast Carbon Sequestration Partnership, which involves drilling deep wells for CO2 injection and storage.
- The Homestake Project, which involves construction of a multipurpose scientific and engineering laboratory deep underground in South Dakota.

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**EXHIBIT III**

**FY 2007 PROCUREMENT SYSTEM SELF-ASSESSMENT PROGRAM**

The *FY 2007 Procurement System Evaluation Schedule*, which describes the self-assessment activities to be conducted this fiscal year in accordance with the *Berkeley Lab Procurement System Evaluation Plan*, was provided to the DOE-BSO Contracting Officer for review and concurrence on September 28, 2006. Following discussion with the DOE-BSO Contracting Officer, a finalized version was transmitted to UCOP and DOE-BSO on October 4. Self-assessment activities planned for this year were completed as follows:

- Group Manager Supervisory Reviews: Ongoing internal reviews were conducted. No UCOP or DOE-BSO Reporting.
- Group Manager Judgment Reviews: At least 15% of written transactions over \$25,000 were reviewed, covering various types of transactions. Reviews were completed of transactions placed during the 3<sup>rd</sup> and 4<sup>th</sup> quarters of FY 2006 and the 1<sup>st</sup> – 3<sup>rd</sup> quarters of FY 2007. An analysis of the overall findings from the April 1, 2006 through March 30, 2007, Group Manager reviews was conducted in the 4<sup>th</sup> quarter for indicators of potential training and system needs, and to identify opportunities for improvement. Review results were provided to UCOP and DOE-BSO on September 12, 2007.
- Contract Review Board (CRB) Reviews: Twenty-five CRB reviews were conducted per Standard Practice 4.9, *Contract Review Board*.
- CRB Findings Review: CRB minutes for Calendar Year 2006 were reviewed in February 2007 to assess any related training needs. An assessment report was provided to UCOP and DOE-BSO on February 28, 2007.
- Procurement Card Transaction Reviews: Ongoing internal reviews were conducted. There were no uncompleted transaction resolutions from the September 2006 through September 2007 procurement card transaction reviews. The September 2007 procurement card transaction review included transactions with bank dates through September 20, 2007.
- Random Sample Reviews: Two Random Sample Reviews were conducted during the 4<sup>th</sup> quarter: 1) an assessment of purchases exceeding \$100,000, awarded during the previous 12 months and 2) an assessment of the subcontract administration of architect-engineer (A&E) and construction subcontracts and Type 2 purchase orders (blanket subcontracts, consultant agreements, personal services agreements, and research and development subcontracts). IUT agreements were not be included in this review since they were assessed in the Optional Judgmental Review #2 (see below). The sample for this review was selected from a listing of A&E and construction subcontracts and Type 2 orders that were open or closed during the prior 12 months.

Internal Audit Services (IAS) selected the sample of subcontracts and agreements for each review. The self-assessment reports were finalized and submitted to UCOP and DOE-BSO on September 28, 2007.

- Optional Judgmental Review #1: Material Support Agreements for Former Soviet Union (Russian) Orders Review. This review was conducted by Laboratory IAS as a management advisory service project. IAS' Report 2560, *Review of Agreements with Russian Institutes*, was issued in January and was provided to UCOP and the DOE-BSO Contracting Officers.
- Optional Judgmental Review #2: Intra-University Transactions (IUTs) Audit. This audit was conducted by Laboratory IAS as part of the scope of their FY 2007 Purchasing Process Audit. IAS' Report 2551-1, *Purchasing Processes for Intra-University Transactions (IUT)*, was issued in July.

### **Follow-up on Prior Reviews**

On October 4, the Procurement Group Managers were provided with a copy of the final report of the Review of Subcontracts Exceeding \$100,000 that was issued on September 21, 2006. An Exceptions Summary for their group was provided to give feedback to their staff and to make corrections to any deficient files. Follow-up on buyers' completion of corrections to deficient files was completed in January.

Resolutions that were recommended in the FY 2006 Contract Review Board Findings Report were completed.

### **Reviews/Audits Conducted This Fiscal Year**

#### ***Procurement Evaluation and Reengineering Team (PERT) Review***

The Procurement Department underwent a PERT Review January 8 – 12, 2007. The peer review program is a methodology for conducting a comprehensive review of contractor purchasing systems and processes by an independent team, comprised of DOE and NNSA Federal and contractor personnel, using standardized criteria. Facility management contractors are evaluated once every three years.

The PERT Peer Review Team was comprised of senior procurement officials from three contractor sites, two DOE site offices, and one NNSA office. Pre-review data was requested by the Team during the 1<sup>st</sup> quarter. Their data call included a request for comprehensive information on Laboratory management systems supporting specified Contractor Purchasing System Assurance Criteria, procurement statistics, a listing of FY 2006 contract and procurement card transactions, and various reference documents. The data was provided to the Team on November 29.

The Final Report of the PERT Review was received by the Laboratory in late February. The overall outcome of the review was that "No observations of a significant nature were detected." There were only five areas of weaknesses identified. None of the related findings were found to warrant immediate corrective action and should be resolved in the course of maturing Procurement's self-assessment, training, supplier management, and documentation control systems. On the strength of this review DOE-BSO has modified Contract 31, Appendix G, to increase its waiver of approval to \$10,000,000.

### ***Procurement Self-Assessment Report of Contract Review Board Findings***

The primary objective of the review was to assess the nature of CRB findings and resolutions for indicators of potential training and system needs, and to identify any systemic issues that could reduce the effectiveness and efficiency of the CRB process. Eighteen CRB Worksheets/Minutes were reviewed from the period of January 1, 2006 through December 31, 2006, representing activity of 11 subcontract administrators. Six CRB reviews were for solicitations and 12 were for contract awards. No systemic issues were found and there were very few instances where multiple occurrences of findings were noted. More than one finding was observed related to three topical areas: Socioeconomic Concerns, Proforma Document Issues, and Acceptance Criteria. The report stated actions that Procurement would take to address the observations.

- Actions related to Socioeconomic Concerns were addressed and new processes are in place.
- Actions have been taken related to Proforma Documents. The FormCab project was completed the end of March and was introduced to the Procurement staff the first week of April. FormCab training was provided to procurement specialists and the DPU staff as part of the Contracts Types training on June 29 (see Exhibit IV, *FY 2007 Procurement Training Activities*).
- A deskguide entitled *Guidelines for Performance Acceptance Criteria in Subcontracts* was developed and issued to procurement staff on September 28, 2007. Training on the Guide will be provided to Procurement staff next fiscal year during Group Manager meetings as part of the 2008 Procurement Training schedule.

### ***Russian Order Review – Performed by IAS***

The objective of the review was to evaluate orders placed with Russian research institutes for purchases of goods or supplies to identify opportunities for improvement in the award or management of these orders. Four orders were reviewed accounting for \$1,352,501, or 87% of the \$1,555,606 awarded to Russian institutes during FY 2005 and 2006. IAS' Report provided recommendations for improvement in four areas: Procurement File Documentation, Material Support Agreement Clarity, Agreement Extension and Closeout, and Roles and Responsibilities. Procurement agreed with the review recommendations and responded with five actions they would take to address them. Three of these actions were completed on February 28, 2007 and the other two were completed on April 30, 2007, as scheduled.

### ***Intra-University Transactions (IUTs) – Audit Performed by IAS***

The objective of the audit was to evaluate orders placed with the University of California campuses under IUT agreements to evaluate compliance with, and adequacy of, existing Laboratory policies, procedures and internal controls designed to ensure efficient purchases of Laboratory supplies and services and compliance with the DOE Prime Contract. IAS also assessed whether there were any opportunities for improving the efficiency or effectiveness of purchasing processes. At the request of Procurement management, IAS evaluated existing Laboratory processes related to processing campus IUT invoices to identify any opportunities for process improvements.

A statistical sample of 15 IUT awards was selected and tested totaling about \$3.7 million occurring in FY 2006 and early FY 2007. IAS' Report 2551-1, *Purchasing Processes for Intra-University Transactions (IUT)*, provided recommendations in five areas: Procurement File Documentation, Agreement Clarity, Accuracy of Award Performance Data, IUT Invoicing Process, and Other Opportunities for Increased Efficiencies. Procurement management responded to the audit recommendations with actions that they would take. All actions were completed on time, validated by IAS, and closed this fiscal year.

## **Purchasing Processes for Subcontracts – Audit Performed by IAS**

The objective of the audit was to evaluate compliance with, and adequacy of, existing Laboratory policies, procedures and internal controls designed to ensure efficient purchases of Laboratory supplies and services and compliance with the DOE Prime Contract. IAS also assessed whether there were any opportunities for improving the efficiency or effectiveness of purchasing processes.

A statistical sample of 34 subcontract/purchase order awards was selected and 28 were tested totaling about \$146 million occurring in FY 2006 and early FY 2007. IAS's Report 2551-2, *Purchasing Processes for Subcontracts*, provided recommendations related to: Procurement File Documentation – Price Reasonableness and Vendor Acknowledgements, Subcontract Clarity and Consistency, Accuracy of Subcontract Award Performance Data, and Incompatible FMS eProcurement System Access Rights. Procurement management responded to the audit recommendations with actions that they would take. All actions to be completed this fiscal year were completed on time, validated by IAS, and closed. One action is still in process:

*Management Response: SP 4.3 (Documentation Requirements) will be revised to reference 42.3 for specific requirements for obtaining a written acknowledgement for a subcontract. SP 42.3 (Acknowledgements) will be revised to clarify follow up procedures in obtaining an acknowledgement. The revised SPs will be submitted to UCOP for concurrence by September 17, 2007. Request for DOE's approval will follow. Group Managers will provide training to Procurement Specialists within 2 months after DOE approval.*

The two SPs were submitted to UCOP for concurrence on September 14. They will be submitted to DOE-BSO for approval next fiscal year and training will follow.

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**EXHIBIT IV**

**FY 2007 LABORATORY SOCIOECONOMIC OUTREACH EFFORTS**

1<sup>st</sup> Quarter

- On October 18, 2006, the Small Business and Supplier Management Office (SM&SMO) attended the US Pan Asian Chamber of Commerce 4th Annual Procurement Connection in San Mateo, CA. The Procurement Connection is a US Pan Asian Chamber of Commerce (USPAACC) signature event featuring experts in corporate and government contracting, access to capital, and market trends. This event is sponsored by the USPAACC, as well as corporate sponsors, such as Citibank and Verizon. Berkeley Laboratory had matchmaking sessions with ten small businesses at the event.
- October 29 – November 1, 2006, the SB&SMO attended the *Leveraging Minority Supplier Diversity for Smart Growth* conference, sponsored by the National Minority Supplier Development Council in San Diego, CA. Attendance at the conference allowed the SB&SMO the opportunity to meet with minority and small businesses. Nearly 7,000 corporate executives, institutional buyers, and more importantly, minority business owners attend – representing every state and industry group.
- On November 15 and December 13, the SB&SMO participated in the monthly DOE Small Business Program Managers teleconferences with Adrienne Cisneros, Associate Director, Office of Small Disadvantaged Business Utilization at DOE.
- On November 16, 2006, the SB&SMO participated in the SBA Business Matchmaking (Fort Lauderdale, FL) via telecon. This was an opportunity to network with new suppliers for possible match making and to advise them about upcoming Laboratory subcontracting opportunities.
- On November 17, 2006, Hanh Le, Small Business Representative, was a guest speaker at the monthly meeting of the Northern California 8(a) Association and gave a presentation on *How to do Business With the Lawrence Berkeley Lab*. Handouts of upcoming subcontracting opportunities were distributed at the meeting. Some of the small businesses were subsequently put on bidder lists for various procurements.
- On December 5, 2006, the SB&SMO launched the In-Reach Supplier database which captures and supports the small business community. Buyers and technical end-users can access the database as a market research tool for sourcing. The database contains a complete profile of each small business with their NAICS code, description, and socioeconomic status.
- The SB&SMO began routinely scheduling one-on-one in-house meetings with small businesses who expressed an interest of doing business with the Laboratory during the year. The purpose of these meetings is to discuss Supplier capabilities and to introduce their capabilities to Laboratory buyers and technical end-users.

- New suppliers often request an on-site visit to give a presentation about their products/services and/or the possibility of marketing their products to the DPU and end-users. The SB&SMO supported/attended two Distributed Purchasing Unit (DPU) monthly staff meetings when suppliers gave presentations this quarter.
- On December 19, 2006, via a telecon, the SB&SMO, a Procurement Strategic Sourcing Specialist, and Mr. Jim Baker, owner of Cedar Mountain Supply, a small business, discussed the possibility of the company becoming a strategic sourcing vendor for McMaster Carr. The vendor was determined not to be a good fit. They lacked eCommerce capability and inventory.

### 2nd Quarter

- On January 16, 2007, the SB&SMO attended the Small Business Fair *Contracting with Government*, sponsored by Congresswoman Ellen Tauscher, at the Dean Leshner Regional Arts Center in Walnut Creek, CA. The purpose of the fair was to connect small businesses throughout the 10<sup>th</sup> Congressional District with government agencies and large private corporations seeking to contract with small businesses for products and services. The Laboratory also participated in the four hour matchmaking sessions with 13 pre-matched local small business suppliers.
- The SB&SMO continued to support/attend DPU monthly staff meetings when suppliers gave presentations. The following small businesses presented in the 2<sup>nd</sup> quarter:
  - January:      CBX Technologies (HUBZone) - IT hardware and software
  - February:     BioSearch Technologies Inc. (SB) - Biological Product Manufacturing
  - March:         Goldbelt Raven LLC 8(a) - Instrumentation Equipment
- The SB&SMO participated in monthly teleconferences regarding the University of California's (UC) Small Business Fair planned for mid-September (Note: The Fair was been postponed until Spring of 2008). This was a joint effort between the following UC campuses and National Laboratories: UC Los Angeles, UC Davis, UC Merced, UC Santa Cruz, UC Berkeley, Lawrence Livermore National Laboratory, and Lawrence Berkeley National Laboratory.
- On January 17, 2007, the SB&SMO attended the National Veterans' Entrepreneurship conference, sponsored by the U.S. Department of Affairs, in the Veteran's War Memorial Building in San Francisco, CA. Attendance at the conference gave the SB&SMO an opportunity to meet with local Service-Disabled Veteran-Owned and Veteran-Owned Small Businesses.
- On January 30, 2007, the SB&SMO attended The Department of General Services Procurement Division's Small Business/Disabled Veterans Business Enterprises (SB/DVBE) Advocates Meeting in Sacramento, CA. The new on-line SB/DVBE system application was demonstrated and presented to SB/DVBE Advocates from other Laboratory and Government entities. This was also a great opportunity for State and Federal Small Business Advocate members to network.

- January 15 and February 12, 2007, the SB&SMO participated in monthly DOE Small Business Program Managers teleconferences with Adrienne Cisneros, Associate Director of the DOE Office of Small and Disadvantaged Business Utilization and other M&O contractors.
- Hanh Le, Small Business Representative participated in the IT Core Financial Training Program as the subject matter expert about the Small Business Program at the Laboratory. On February 27, 2007, she gave a presentation on Berkeley Laboratory's policy on Small Business and its importance to IT Managers/main end-users. The training is part of the in-reach program to Laboratory internal end users/technical representatives on procurement process issues. The training provided a forum for Division peers to interact, learn, and communicate on relevant process issues for the greater Laboratory community.
- The SB&SMO had a booth display at the February 22, 2007, *Connecting Point for the Construction Industry* conference, sponsored by the Department of General Services, Procurement Division in Sacramento, CA. This gave Berkeley Laboratory a good opportunity to support the State's outreach efforts in identifying the Small Business/Disabled Veteran-Owned businesses in the construction industry.
- On March 7 and 8, 2007, the SB&SMO had a booth exhibition at the Jet Propulsion Laboratory (JPL)/NASA 18<sup>th</sup> Annual High Tech Small Business conference in Los Angeles, CA. The Computing Sciences Subcontracts Group Manager also attended the conference. This event is sponsored by the U.S. Small Business Administration. JPL has successfully coordinated this event for the past 17 years with an average attendance of 1,200 participants, of which approximately 300 are representatives from the Prime Contractor/government agency arena and 900 are small business owners. The conference provided small businesses the opportunity to meet procurement personnel and technical representatives from major corporations and Federal agencies during the Marketplace Forum to discuss contract opportunities.
- In support of Chancellor Michael Bishop's ongoing efforts to enhance Supplier Diversity at UC San Francisco, the SB&SMO was invited to participate in the *UC Supplier Diversity Conference* sponsored by the Campus Procurement and Business Contracts Department on March 12. Hanh Le, Small Business Representative presented and discussed Berkeley Laboratory's current supplier diversity activities and best practices. The conference objectives were to improve and enhance the University's overall approach to increasing supplier diversity. It also enhanced the UC San Francisco's awareness of best practices among the University community.

### 3<sup>rd</sup> Quarter

- The SB&SMO attended the *Small Business Fair Alliance West* in San Jose, CA on April 26, 2007. The purpose of the conference was to connect small businesses in Silicon Valley with government agencies and large private corporations seeking to contract with small businesses for products and services. Berkeley Laboratory also participated in the business matchmaking sessions with eight pre-matched participating local small business suppliers mostly in the construction and environmental arena.
- Two suppliers that gave presentations to the DPU Group last quarter have brought good results. CBX Technologies, an 8(a) HUBZone concern, submitted a proposal for the Supplier Survey system and Goldbelt Raven LLC, an 8(a), recently received two small contracts of \$25K each.

- May 9 – 11, 2007, the SB&SMO had a booth display at the *CelebrAsian' 07* in San Francisco, CA. The event was sponsored by the U.S. Pan Asian Chamber of Commerce. Berkeley Laboratory assisted DOE with manning the booth, while Theresa Speake, Director of the Office of Small and Disadvantaged Business Utilization, participated in the panel speaker session. The purpose of the conference was to promote, nurture and propel economic growth by opening doors for business opportunity and to develop educational and professional opportunities for Asian Americans and their business partners in corporate America and in government agencies.
- On May 13, 2007, the SB&SMO had a booth display at the *Vendor Fair* in Emeryville, CA. This particular event is sponsored by the Berkeley Chamber of Commerce and its purpose is to promote local businesses, especially in the Berkeley area.
- On May 23 and 24, 2007, the SB&SMO had a booth display at the *Bay Area Vendor Fair 2007* conference, sponsored by the County of Alameda and Department of General Services, State of California. The theme was *New Perspectives for Growth and Success* and the fair focused on businesses seeking success in a growing and innovative economy.
- On June 13 and 14, 2007, the SB&SMO participated in the business matchmaking at the *Keeping the Promise* California Disabled Veteran Business Alliance in Anaheim, CA. The event is sponsored by the Disabled Veterans Association. The purpose of the conference was to promote among government agencies and corporate buyers that it makes excellent business sense to contract with disabled veteran-owned businesses.
- On April 11, May 1, and June 26, 2007, the SB&SMO participated in monthly DOE Small Business Program Managers teleconferences with Adrienne Cisneros, Associate Director of the DOE Office of Small and Disadvantaged Business Utilization and other M&O contractors.
- The Laboratory's Supplier and Strategic Sourcing Management group has been actively working, coaching, and mentoring small businesses to advance e-commerce processes and systems. Berkeley Laboratory has plans to launch two additional strategic commodity contracts, one for vacuum products and one for gas products at a later date. This effort is in line with the Laboratory's mission to foster and value professional partnership with our suppliers.
- June 26 - 28, the SB&SMO had a booth display at the *8th Annual Small Business DOE Conference* in Washington, DC. The Laboratory participated in the business matchmaking session which primarily focused on construction suppliers. This category of supplier is most needed by the Laboratory at this time. Berkeley Laboratory was provided the *M&O Small Business Advancement Award*. This award was presented to the Facility Management Contractor that recognized tangible organizational results in terms of dollars and percentage increases to small business procurement for the year. The Laboratory's Deputy Procurement Manager accepted the award. He was also one of the panel speakers at the plenary session *Subcontracting Opportunities*. There were eight Small Business Success Stories printed and described in the Conference brochure and mentioned at the luncheon award. Two of the success stores were with Berkeley Laboratory: 1) Partnership with USfalcon, an 8(a), Service Disabled Veteran-Owned Small Businesses and 2) Award of a five-year contract, valued at \$5.5M to Pacific Supply and Safety, an 8(a), Woman-Owned Small Business concern.

#### 4<sup>rd</sup> Quarter

- In July, the Deputy Procurement Manager received a letter of gratitude from Theresa Alwillare-Speake, Director of the Office of Small and Disadvantaged Business Utilization for his participation as a panelist at the Department of Energy's 8<sup>th</sup> Annual Small Business Conference in June.
- On July 10, the SB&SMO attended the monthly meeting of the Northern California 8(a) Association in support of the UC Berkeley Supplier Diversity Department. Handouts of forecasted subcontracting opportunities at Berkeley Lab were distributed at the meeting. The Small Business Representative spent a great deal of time with the SBA's representative to discuss upcoming opportunities at Berkeley Laboratory particular to construction. Three small businesses were subsequently put on bid lists for various procurements.
- August 18, 2007, the SB&SMO made arrangements for Anacapa Micro Products, a HUBZone concern to give a presentation to the DPU. Anacapa Micro Products provides computer equipment and electronic hardware products and support. The Laboratory was introduced to Anacapa Micro Products at the March 2007 JPL/NASA conference. The supplier also met with two technical managers from the Computing Division to discuss their capabilities and how they might meet the Laboratory's needs for upcoming IT requirements. As the result of these meetings, Anacapa Micro Products received several small contracts from the DPU. They are also currently working with the Laboratory Strategic Sourcing Specialist on a potential strategic commodity contract requirement.
- On August 28 and September 25, 2007, the SB&SMO participated in monthly DOE Small Business Program Managers teleconferences with Adrienne Cisneros, Associate Director of the DOE Office of Small and Disadvantaged Business Utilization and other M&O contractors.
- The SB&SMO continued to schedule one-on-one in-house meetings with small businesses who expressed an interest of doing business with the Laboratory. The purpose of the meetings was to discuss Supplier capabilities and to introduce their capabilities to Laboratory buyers and technical end-users.
- On August 16, 2007, the SB&SMO participated in a UC panel presentation on *How to do Business with the University of California*, at the 22<sup>nd</sup> Statewide California Black Chamber of Commerce's Business Convention 2007 in San Francisco, CA. Handouts listing upcoming subcontracting opportunities were distributed. Some of the small businesses were subsequently put on bidder lists for various procurements.
- On August 24, 2007, Hanh Le, Small Business Representative, participated in the UC panel presentation on *How to do Business with the University of California*, at the 28<sup>th</sup> Annual State Convention and Business Expo California Hispanic Chamber of Commerce in Long Beach, CA. She has also participated in a business match making session primarily focused on the construction and environmental arena. The purpose of the conference was to connect small businesses with government agencies and large private corporations seeking to contract with small businesses.
- The SB&SMO actively working with the California Department of Veterans Affairs to connect with Service-Disabled Veteran-Owned Small Businesses.

- On August 31, 2007, the SB&SMO attended the Minority Business Development Enterprises awards dinner in San Francisco, CA. With the support of the Med Week Coordinating Committee and its Corporate Sponsors, the Minority Business Development Agency was proud to pay tribute to the top Minority Business Entrepreneurs within the Western region. The Laboratory has participated in this event for many years to support and celebrate the success of Small Business Enterprises. A Laboratory contract administrator also attended the event and met with various suppliers.
- On September 28, 2007, the SB&SMO participated in the UC Small Business Managers all day meeting. The purpose of the meeting was to create a network for collaboration between the UC campuses to support Small Business enterprises. All ten campuses shared information and best practices in order to promote a supplier diversity community among the campuses.

**Lawrence Berkeley National Laboratory  
FY 2007 Appendix B  
Procurement Balanced Scorecard Report  
(October 1, 2006 – September 30, 2007)**

**EXHIBIT V**

**FY 2007 PROCUREMENT TRAINING ACTIVITIES**

The Training Program that was initiated in FY 2006 was deployed this fiscal year. Highlights of training activities conducted in accordance with the Procurement Training Plan issued on August 31, 2006, are provided below.

**Individual Development Training – Classroom Presentation Format**

Individual Development Training for employees in each of the Procurement Groups was assessed during the 1<sup>st</sup> quarter. Training needs were identified using information from the FY 2006 PRD process and the training needs assessment survey conducted last fiscal year, and with additional input from each Group Manager. Procurement Core and General Skills Training and the need for Additional and Assignment Specific Skills Training were assessed. Staff training was prioritized and individuals were registered for courses as budget resources permitted.

**Core Courses – Classroom/On-Line Presentation Format**

- One of the most recently hired procurement specialists attended a *Basics of Government Contracting* course in October, a *Cost and Price Analysis in Government Contracting* course in November, and an *Acquisition of Commercial Items* course in August.
- On November 29 and 30, Federal Publications provided on-site training on Terminations of Government Contracts. This course was attended by 21 of the Procurement staff.
- Two procurement specialists attended a week long *Introduction to Federal Contracting* course provided by Management Concepts in August.
- On November 8, the University of California (UC) notified Designated Officials that they were to complete an online Ethics Briefing offered by Workplace Answers. This interactive briefing contained challenging and interesting workplace situations and was designed to raise awareness in the University community about the Statement of Ethical Values and Standards of Ethical Conduct, adopted by the Board of Regents in May 2005. By January 23, 2007, all Designated Officials in Procurement completed the briefing. The remainder of procurement staff completed the briefing by the May 7 deadline.

**General Skills and Assignment Specific Training – Classroom Presentation Format**

- The Berkeley Lab Institute (BLI) provided a series of training courses to the Office of the Chief Financial Officer (OCFO) Supervisors this fiscal year. The following courses were attended by individuals from Procurement:
  - *Effective Meetings* (December)
  - *Labor and Employee Relations* (December)
  - *Communicating to Influence in Customer Service* (February)

- *Performing an Effective Safety Walkaround* (March)
- *Coaching for Higher Level Performance: Techniques for Supervisors* (April)
- *Preventing Workplace Harassment* (June)
- *Performance Review and Development Training for Supervisors and Managers* (July)
- *Conducting Productive Conversations About Performance* (August)
- In May, BLI offered the *Effective Meetings* course to all OCFO staff. Eighteen individuals from Procurement attended the course.
- On August 24, three individuals attended BLI's training on *Influencing When You are Not In Charge: Practicing Positive Politics at Work*.
- BLI provided a customized *Writing Advantage* course for Procurement and Property Management staff on July 31.
- On October 26, an individual from the Distributed Purchasing Unit (DPU) completed a *Globalization and the Supply Chain and Purchasing Services* course through California State University East Bay (CSUEB).
- A Group Manager was selected to fill one of the ten available slots in the November session of the University of California *Business Officer Institute*. This three day program covered seven core modules: Budget, The Control Environment, Financial Management, Human Resources, Information Technology, Sponsored Projects, and Risk Management.
- In November and December, newly hired Procurement employees received training on how to create requisitions and purchase orders in the ePro system.
- On January 18, two individuals from the Computing Sciences Subcontracts Group attended an NAPM Software Licensing Seminar earning 7.0 hours of continuing education.
- February 7 – 9, two individuals from the Small Business Office attended a *Contracting with Small Business Concerns* course given by Management Concepts.
- On February 8, the San Francisco, CA, Office of the Department of Labor provided on-site training on the Service Contract Act and Davis Bacon Act. Two hours were dedicated to each Act. The DPU also received a briefing on the Service Contract Act from the Construction and Institutional Support Manager on October 25.
- On March 7, the Deputy Procurement Manager attended an *Essential Skills of Dynamic Public Speaking* course presented by National Seminars Group.
- March 11 – 14, the Policy, Assurance, and Systems Manager attended the *2007 Oracle Higher Education Users Group Alliance Conference*. Discussion covered a wide variety of topics of interest to Procurement such as supply chain integration through eProcurement, implementation of 8.9 Procurement Cards, the match and pay process, and upcoming enhancements in PeopleSoft 9.0.
- On March 12, an individual from the Construction and Institutional Support Group attended all day training on the Commissioning Process for Construction Projects sponsored by UC Davis. Presentations were given on: pre-design phase commissioning tasks, examples of initial construction plans and design-phase checklists, and perspectives of implementing the commissioning process.
- On April 18, an individual from the DPU completed a *Purchasing Law* course through CSUEB.

- April 2 – 6, an individual from the Construction and Institutional Support Group attended a *Architect-Engineer Services Subcontracting* course given by Management Concepts.
- May 7 – 11, an individual from the Fabrications and One-Time Purchases Group attended a *Cost Analysis* course given by Management Concepts.
- On May 16, an individual from the Fabrications and One-Time Purchases Group completed a *Quality Control Problem Solving Tools* course through CSUEB.
- On May 31, an individual from the Fabrications and One-Time Purchases Group attended a *Time Management and Organizational Skills* course through Rockhurst University Continuing Education Center.
- June 25 – 26, the Construction and Institutional Support Group Manager attended a *Design/Build Contracting* course given by ESI International. She also completed a *Construction Materials and Methods* course through UC Berkeley Extension that began in April and ended in July.
- July 23 – 27, the procurement specialist who handles leasing subcontracts attended a *Cost and Price Analysis of Lease Proposals* course on given by Management Concepts.
- August 27 – 31, two individuals from the Construction and Institutional Support Group attended a *Construction Contracting* course given by Management Concepts.
- On September 19, an individual from the Fabrications and One-Time Purchases Group attended a *How to Write Better and Faster* course through Rockhurst University Continuing Education Center.
- On September 21, two individuals from the Construction and Institutional Support Group attended a course offered by the University of California on Building Information Modeling and the Design and Construction Process.

### **Group Meeting Format Training**

- Contract Agreement Types – On June 29, training on Contract Agreement Types was presented to procurement specialists by three of the Group Managers. Three individuals from the DPU were in attendance. The DPU also received training on revised General Provisions in January.
- File Documentation Requirements – Training was provided during Group Manager meetings as follows:
  - Computing Sciences Subcontracts Group – June 15.
  - Construction and Institutional Support Subcontracts Group – December 4, April 18, and May 2.
  - Fabrications and One-Time Purchases Group – February 16, March 15, April 12, and June 7.
  - Small Business Supplier Management and Strategic Sourcing Group – May 23.
  - DPU – May 23 and June 20.

- Integrated Safety Management (ISM) – Training was provided during individual Group Manager meetings covering the new *Guide for On-Site Subcontractor Safety Plans* that implements 10 CFR 851 requirements.
  - Computing Sciences Subcontracts Group – July 25.
  - Construction and Institutional Support Subcontracts Group – April 4.
  - Fabrications and One-Time Purchases Group – April 26 and June 7.
  - Small Business Supplier Management and Strategic Sourcing Group – April 25.
  - DPU – January 17, April 19, and June 20.
- Procurement System Entry – Staff attended a 1.75 Hr. training session that was available either August 1 or August 2. Training was also provided during Group Manager meetings throughout the fiscal year.
- Reasonableness of Price/Cost/Price Analysis - On March 14, training on this topic was presented to procurement specialists by two of the Group Managers.
- Sole Source Justification – Training was completed during individual Group Manager Meetings as follows:
  - Computing Sciences Subcontracts Group - December 7.
  - Construction and Institutional Support Subcontracts Group - December 13.
  - Fabrications and One-Time Purchases Group - January 18.
  - Small Business Supplier Management and Strategic Sourcing Group - March 28.
- Unauthorized Procurements/Ratifications – Training was given during Group meetings during the 4<sup>th</sup> quarter.
  - Computing Sciences Subcontracts Group – September 12.
  - Construction and Institutional Support Subcontracts Group – August 15.
  - Fabrications and One-Time Purchases Group – August 16.
  - Small Business Supplier Management and Strategic Sourcing Group – July 30.
  - Policy, Assurance, and Systems Group and Administration – July 30.
  - DPU – August 22.

In addition, on January 17, this topic was covered during a DPU meeting and on February 16 at a Fabrications and One-Time Purchases Group meeting.

- Standard Practices – In addition to the Sole Source Justification Training described above (SP 6.2), the following SP training was conducted:
  - Computing Sciences Subcontracts Group – SP 16.1, *General Types of Subcontracts*, SP 16.2, *Blanket Subcontracts*, SP 16.3, *Letter Subcontracts*, and 16.4, *Basic Ordering Agreements*.
  - Construction and Institutional Support Group – SP 7.1, *Acquisition Planning* and 28.2, *Insurance and Indemnification*.
  - Fabrication and One-Time Purchases Group – SP 32.1, *Payments*, SP 33.2, *Disputes and Claims*, SP 47.2, *Imports and Exports*, and 47.1, *Transportation*.

- The Small Business and Supplier Management and Strategic Sourcing Group – SP 7.1, *Acquisition Planning* – General, 19.4, *Subcontracting Plans*, and 32.1, *Payments*.
- DPU – SP 31.3, *Unallowable Costs*.
- Individuals in the DPU received their annual refresher training in August.

### **Other Training**

- On May 8, UC launched an online Conflict of Interest Course for Designated Officials at all UC locations. The course is designed to help employees recognize and deal with conflict of interest situations that may arise at work. As of July 11, all Designated Officials in Procurement completed the course.
- During the 1<sup>st</sup> and 2<sup>nd</sup> quarters, the Small Business Office briefed the Fabrication and One-Time Purchases, Computing Sciences Subcontracts, and Construction and Institutional Support Groups as to their role in the procurement process, and provided training on the Advance Acquisition Alert/Plan and Large Business Justification, market research/resources, subcontracting plans, forecasting, set-aside awards, and how their staff can be of assistance to buyers.
- Earlier this year the Office of the Inspector General (OIG) extended an offer to provide training on the subject of fraud/waste/abuse to Procurement staff. Due to OIG staff turnover, they were not able to provide training in the 2<sup>nd</sup> quarter as planned. The OIG will try to schedule something with us for early next fiscal year.

### **Evaluation of Courses**

A course evaluation sheet was developed by the Training Coordinator which was provided to all Procurement employees in order to obtain feedback regarding training received both on and off-site. The form is also available on the Procurement I: drive as a .pdf and Word document. Feedback was solicited and obtained for many of the Core and Assignment Specific courses outlined above.



**FISCAL YEAR 2007**

**APPENDIX B**

**PROPERTY MANAGEMENT BALANCED SCORECARD REPORT**

**In Compliance With**

**Prime Contract DE-AC02-05CH11231**  
**Section J, Appendix B**  
**Performance Evaluation and Measurement Plan (PEMP)**  
**Acquisition and Property Management Systems Balanced Scorecard Model Index Plan**

**October 11, 2007**



**Lawrence Berkeley National Laboratory**  
**FY 2007 Appendix B**  
**Property Management Balanced Scorecard Report**  
**(October 1, 2006 – September 30, 2007)**

Activity/Assigned Points	Gradient	Points Earned	Results																												
<p><b>1.0 External Customer Satisfaction – Laboratory Property Custodians</b>  <i>Maximum Annual Points = 5</i>  <b>Report: Quarterly</b>  <b>Scoring: Annual</b></p>	<p>Percentage of Property Custodians Responding to Survey That Are Satisfied</p> <p>≥ 85.0% = 5.0 points            82.0 – 84.9% = 4.5 points            78.0 – 81.9% = 4.0 points            73.0 – 77.9% = 3.5 points            67.0 – 72.9% = 3.0 points            &lt; 67.0% = 0 points</p> <p>BSC Target = 80.0%</p>	<p><b>5.0</b></p>	<p>During the 4<sup>th</sup> quarter 22 surveys were submitted, with 20 providing an average score of 3.0 or higher. Totals for the year show 102 surveys submitted with 87 scoring Property Management's Customer Satisfaction at 3.0 or higher which translates to a customer satisfaction rating of 85.3 percent.</p> <p>The 2<sup>nd</sup> quarter where the percentage of satisfied customers dipped below 70 percent appears to have been attributable to the rigor and discipline used to execute the Wall to Wall Inventory. The 1<sup>st</sup>, 3<sup>rd</sup> and 4<sup>th</sup> quarter percentages of satisfied customers seems to validate 2<sup>nd</sup> quarter results as not being the norm.</p> <p>We have corrected some of the problems encountered in accessing and retrieving data from the web site during the 1<sup>st</sup> and 2<sup>nd</sup> quarters but are continuing to look at ways to improve how data for this measure is gathered and retrieved</p> <p>The Laboratory will earn 5 points for this measure.</p> <table border="1" data-bbox="755 283 966 1024" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th>Number of Satisfied Custodians</th> <th>Number of Surveys Received</th> <th>Percentage of Satisfied Custodians</th> </tr> </thead> <tbody> <tr> <td>1<sup>st</sup> Quarter</td> <td>12</td> <td>12</td> <td>100%</td> </tr> <tr> <td>2<sup>nd</sup> Quarter</td> <td>26</td> <td>38</td> <td>68.4%</td> </tr> <tr> <td>3<sup>rd</sup> Quarter</td> <td>29</td> <td>30</td> <td>96.6%</td> </tr> <tr> <td>4<sup>th</sup> Quarter</td> <td>20</td> <td>22</td> <td>90.1%</td> </tr> <tr> <td><b>Total</b></td> <td><b>87</b></td> <td><b>102</b></td> <td><b>85.3%</b></td> </tr> </tbody> </table> <p><b>Historical Year-End Results:</b></p> <table border="1" data-bbox="1047 441 1096 772" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>FY 2005</th> <th>FY 2006</th> </tr> </thead> <tbody> <tr> <td>100%</td> <td>81.4%</td> </tr> </tbody> </table>		Number of Satisfied Custodians	Number of Surveys Received	Percentage of Satisfied Custodians	1 <sup>st</sup> Quarter	12	12	100%	2 <sup>nd</sup> Quarter	26	38	68.4%	3 <sup>rd</sup> Quarter	29	30	96.6%	4 <sup>th</sup> Quarter	20	22	90.1%	<b>Total</b>	<b>87</b>	<b>102</b>	<b>85.3%</b>	FY 2005	FY 2006	100%	81.4%
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<p><b>2.0 Internal Customer Satisfaction – Property Representatives and Property Coordinators</b>  <i>Maximum Annual Points = 5</i>  <b>Report: 4th Quarter</b>  <b>Scoring: 4th Quarter</b></p>	<p>Percentage of Property Representatives and Property Custodians That Are Satisfied</p> <p>≥ 85.0% = 5.0 points            82.0 – 84.9% = 4.5 points            78.0 – 81.9% = 4.0 points            73.0 – 77.9% = 3.5 points            67.0 – 72.9% = 3.0 points            &lt; 67.0% = 0 points</p> <p>BSC Target = 80.0%</p>	<p><b>4.5</b></p>	<p>The Property Management Internal Customer Survey was prepared, distributed, scored and submitted to the Property Manager by the Chairman of the Property Management Advisory Board, on August 9, 2007. Sixteen of the seventeen surveys distributed were submitted and scored. The lowest score was 2.19 and the highest score was 4.69 out of a possible 5.0. Ten surveys scored Property Management 3.0 or higher and six surveys scored Property Management less than 3.0.</p> <p>Not all surveys that scored Property Management at less than 3.0 provided comments, therefore, in accordance with our agreement with the Site Office the Property Manager met with the Contracting Officer (s) to review all surveys to determine whether they should be included or not in the overall scoring. Of the six surveys that scored Property Management less than 3.0 only two surveys provided comments for consideration.</p> <p style="text-align: right;">(continued)</p>																												



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Activity/Assigned Points	Gradient	Points Earned	Results				
<p><b>2.0 Internal Customer Satisfaction – Property Representatives and Property Coordinators - <i>Continued</i></b>   <i>Maximum Annual Points = 5</i>   <b>Report: 4th Quarter</b>  <b>Scoring: 4th Quarter</b></p>			<p>The meeting with the Contracting Officer(s) resulted in a determination that of the 16 surveys submitted only 12 could be considered for scoring, and of those 12, 10 were scored at 3.0 or greater for an overall percentage of 83.3 %. The Laboratory will earn 4.5 points for this measure.</p> <p>It was also determined that the current survey contains questions that "personalize" it, and invite subjectivity rather than ensuring objectivity. It was agreed that the survey will be rewritten for FY 2008 and reviewed by the Site Office prior to issuance.</p> <p>The Laboratory will earn 4.5 points for this measure.</p> <p><b>Historical Year-End Results:</b></p> <table border="1" data-bbox="699 443 756 779"> <tr> <td>FY 2005</td> <td>FY 2006</td> </tr> <tr> <td>91.3%</td> <td>100%</td> </tr> </table>	FY 2005	FY 2006	91.3%	100%
FY 2005	FY 2006						
91.3%	100%						
<p><b>3.0 Accuracy of and Consent to Sensitive Property Assignments</b>   <i>Maximum Annual Points = 5</i>   <b>Report: 4th Quarter</b>  <b>Scoring: 4th Quarter</b></p>	<p>Percentage of Sensitive Assets Accurately Assigned</p> <p>≥ 98.0% = 5.0 points            95.0 – 97.9% = 4.5 points            91.0 – 94.9% = 4.0 points            86.0 – 90.9% = 3.5 points            80.0 – 85.9% = 3.0 points            &lt; 80.0% = 0 points</p> <p>BSC Target = 98.0%</p>	<p><b>5.0</b></p>	<p>The Laboratory will utilize the inventory validation population to verify the accuracy of custodian assignments. The sample will be comprised of a statistically justifiable number of assets randomly selected from the sensitive property assets inventory validation population. Property Management will identify custodians of record for each asset in the sample and e-mail them requesting confirmation of the accuracy of the assignment.</p> <p>Of the 53 e-mails sent out 53 have responded to Property Management. Of those, 52 indicated that the assignment is accurate. One custodian responded indicating he was the custodian but not the user. Scoring this measure based on positive responses received against total e-mails sent, 53 out of 53, results in a 100 percent rating.</p> <p>The Laboratory will earn 5 points for this measure.</p> <p><b>Historical Year-End Results:</b></p> <table border="1" data-bbox="1167 443 1224 779"> <tr> <td>FY 2005</td> <td>FY 2006</td> </tr> <tr> <td>96.55%</td> <td>97.78%</td> </tr> </table>	FY 2005	FY 2006	96.55%	97.78%
FY 2005	FY 2006						
96.55%	97.78%						



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Activity/Assigned Points	Gradient	Points Earned	Results				
<p><b>4.0 Accuracy of and Consent to Equipment Property Assignments</b>  <i>Maximum Annual Points = 5</i>  <b>Report: 4th Quarter</b>  <b>Scoring: 4th Quarter</b></p>	<p>Percentage of Equipment Assets Accurately Assigned</p> <p>≥ 98.0% = 5.0 points            95.0 – 97.9% = 4.5 points            91.0 – 94.9% = 4.0 points            86.0 – 90.9% = 3.5 points            80.0 – 85.9% = 3.0 points            &lt; 80.0% = 0 points</p> <p>BSC Target = 98.0%</p>	<p style="text-align: center;"><b>5.0</b></p>	<p>The Laboratory will utilize the inventory validation population to verify the accuracy of custodian assignments. The sample will be comprised of a statistically justifiable number of assets randomly selected from the sensitive property inventory validation population. Property Management will identify custodians of record for each asset in the sample and e-mail them requesting confirmation of the accuracy of the assignment.</p> <p>Of the 53 e-mails sent out, 51 have responded to Property Management, with 51 confirming an accurate assignment. Several attempts were made to obtain the two non responses with the following outcomes: one individual had retired from the Laboratory and the second failed to respond to our inquiries. For scoring purposes the non response from the individual that retired was considered an accurate assignment. Scoring this measure based on positive responses against total e-mails sent out, 52 out of 53, results in a 98.1 percentage rating.</p> <p>The Laboratory will earn 5 points for this measure.</p> <p><b>Historical Year-End Results:</b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="padding: 2px;">FY 2005</td> <td style="padding: 2px;">FY 2006</td> </tr> <tr> <td style="padding: 2px;">98.10%</td> <td style="padding: 2px;">100%</td> </tr> </table>	FY 2005	FY 2006	98.10%	100%
FY 2005	FY 2006						
98.10%	100%						
<p><b>5.0 Inventory of Equipment Property (Acquisition Cost)</b>  <i>Maximum Annual Points = 10</i>  <b>Report: 3<sup>rd</sup> Quarter</b>  <b>Scoring: 3<sup>rd</sup> Quarter</b></p>	<p>Percentage of Equipment Assets Inventoried and Accounted For (by Acquisition Cost)</p> <p>≥ 99.5% = 10.0 points            99.2 – 99.4% = 9.0 points            98.7 – 99.1% = 8.0 points            98.0 – 98.6% = 7.0 points            97.1 – 97.9% = 6.0 points            &lt; 97.1% = 0 points</p> <p>BSC Target = 99.0%</p>	<p style="text-align: center;"><b>10.0</b></p>	<p>A Wall-to-Wall Inventory Plan defining the scope and protocols for the 2007 wall-to-wall inventory was prepared and submitted to DOE BSO on November 1 and approved by the Contracting Officer on November 13. The Plan identifies responsibilities, emphasizes safety issues, and establishes the overall inventory schedule.</p> <p>Several training sessions were provided to Property Representatives and Coordinators during the 1<sup>st</sup> quarter in preparation for the inventory. Sessions were held with a focus on barcode readers, barcode scanning, report generation, inventory preparation and issue resolution, and retagging of assets during the inventory. In addition, several monitoring reports were run by the core group and provided to the Property Representatives identifying potential “hot spots” for the inventory.</p> <p>The wall-to-wall inventory began on January 2 and was completed on March 31.</p> <p>The validation of that activity was completed in April with a 100 percent result.</p> <p>Final results indicate a <b>99.69 %</b> find rate which will earn 10 points for this measure.</p> <p><b>Historical Year-End Results:</b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="padding: 2px;">FY 2005 (Statistical Sample)</td> <td style="padding: 2px;">FY 2006 (Statistical Sample)</td> </tr> <tr> <td style="padding: 2px;">99.95%</td> <td style="padding: 2px;">99.97%</td> </tr> </table>	FY 2005 (Statistical Sample)	FY 2006 (Statistical Sample)	99.95%	99.97%
FY 2005 (Statistical Sample)	FY 2006 (Statistical Sample)						
99.95%	99.97%						



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Activity/Assigned Points	Gradient	Points Earned	Results				
<p><b>6.0 Inventory of Equipment Property (Items)</b>  <i>Maximum Annual Points = 10</i>  <b>Report: 3<sup>rd</sup> Quarter</b>  <b>Scoring: 3<sup>rd</sup> Quarter</b></p>	<p>Percentage of Equipment Assets Inventoried and Accounted For (by Item)</p> <p>≥ 98.5% = 10.0 points            98.2 – 98.4% = 9.0 points            97.7 – 98.1% = 8.0 points            97.0 – 97.6% = 7.0 points            96.1 – 96.9% = 6.0 points            &lt; 96.1% = 0 points</p> <p>BSC Target = 98.0%</p>	<p style="text-align: center;"><b>10.0</b></p>	<p>See Measure 5.0 above for activities conducted during the 1<sup>st</sup> and 2<sup>nd</sup> quarters.</p> <p>The wall-to-wall inventory began on January 2 and was completed on March 31. The validation of that activity was completed in April with a 100 percent result.</p> <p>Final results indicate a <b>98.85%</b> find rate which will earn 10 points for this measure.</p> <p><b>Historical Year-End Results:</b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;">FY 2005 (Statistical Sample)</td> <td style="text-align: center;">FY 2006 (Statistical Sample)</td> </tr> <tr> <td style="text-align: center;">99.74%</td> <td style="text-align: center;">99.72%</td> </tr> </table>	FY 2005 (Statistical Sample)	FY 2006 (Statistical Sample)	99.74%	99.72%
FY 2005 (Statistical Sample)	FY 2006 (Statistical Sample)						
99.74%	99.72%						
<p><b>7.0 Inventory of Sensitive Property (Acquisition Cost)</b>  <i>Maximum Annual Points = 10</i>  <b>Report: 3<sup>rd</sup> Quarter</b>  <b>Scoring: 3<sup>rd</sup> Quarter</b></p>	<p>Percentage of Sensitive Assets Inventoried and Accounted For (by Acquisition Cost)</p> <p>≥ 99.5% = 10.0 points            99.2 – 99.4% = 9.0 points            98.7 – 99.1% = 8.0 points            98.0 – 98.6% = 7.0 points            97.1 – 97.9% = 6.0 points            &lt; 97.1% = 0 points</p> <p>BSC Target = 99.0%</p>	<p style="text-align: center;"><b>8.0</b></p>	<p>See Measure 5.0 above for activities conducted during the 1<sup>st</sup> and 2<sup>nd</sup> quarters.</p> <p>The wall-to-wall inventory began on January 2 and was completed on March 31. The validation of that activity was completed in April with a 100 percent result.</p> <p>Final results indicate a <b>99.11 %</b> find rate which will earn 8 points for this measure.</p> <p><b>Historical Year-End Results:</b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;">FY 2005 (Statistical Sample)</td> <td style="text-align: center;">FY 2006 (Statistical Sample)</td> </tr> <tr> <td style="text-align: center;">99.70%</td> <td style="text-align: center;">99.32%</td> </tr> </table>	FY 2005 (Statistical Sample)	FY 2006 (Statistical Sample)	99.70%	99.32%
FY 2005 (Statistical Sample)	FY 2006 (Statistical Sample)						
99.70%	99.32%						
<p><b>8.0 Inventory of Sensitive Property (Items)</b>  <i>Maximum Annual Points = 10</i>  <b>Report: 3<sup>rd</sup> Quarter</b>  <b>Scoring: 3<sup>rd</sup> Quarter</b></p>	<p>Percentage of Equipment Assets Inventoried and Accounted For (by Acquisition Cost)</p> <p>≥ 98.5% = 10.0 points            98.2 – 98.4% = 9.0 points            97.7 – 98.1% = 8.0 points            97.0 – 97.6% = 7.0 points            96.1 – 96.9% = 6.0 points            &lt; 96.1% = 0 points</p> <p>BSC Target = 98.0%</p>	<p style="text-align: center;"><b>10.0</b></p>	<p>See Measure 5.0 above for activities conducted during the 1<sup>st</sup> and 2<sup>nd</sup> quarters.</p> <p>The wall-to-wall inventory began on January 2 and was completed on March 31. The validation of that activity was completed in April with a 100 percent result.</p> <p>Final results indicate a <b>99.52 %</b> find rate which will earn 10 points for this measure.</p> <p><b>Historical Year-End Results:</b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;">FY 2005 (Statistical Sample)</td> <td style="text-align: center;">FY 2006 (Statistical Sample)</td> </tr> <tr> <td style="text-align: center;">99.65%</td> <td style="text-align: center;">99.65%</td> </tr> </table>	FY 2005 (Statistical Sample)	FY 2006 (Statistical Sample)	99.65%	99.65%
FY 2005 (Statistical Sample)	FY 2006 (Statistical Sample)						
99.65%	99.65%						



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<p><b>9.0 Vehicle Utilization</b>  <i>Maximum annual points = 0</i>  <b>Report: Quarterly</b>  <b>Scoring: Annually</b></p>	<p>Results will be reported –            No points assigned for FY 2007</p>	<p style="text-align: center;"><b>Not Scored</b></p>	<p>Trip Criteria was developed and the database designed, tested, and implemented in June. We distributed reports to the Divisions for July and August. The July period was for evaluation and to get suggestions to improve the data. Suggestions were evaluated and some changes were made in August. The August reports were reviewed by Fleet Management and vehicles that required trip data to be recorded that had no data reported were identified and the Custodians were contacted. Those vehicles will be evaluated in the September report and, if required, the appropriate Manager will be contacted.</p> <p>A Fleet Trip Use Implementation Schedule has been developed and will guide the review, feedback, and decision process during FY 2008.</p> <p>No points are associated with this measure.</p>																							
<p><b>10.0 Excess Processing</b>  <i>Maximum annual points = 0</i>  <b>Report: Quarterly</b>  <b>Scoring: Not Scored</b></p>	<p>BSC Target = Increase the number of assets disposed of within the 180-day criteria by 8% over the FY 2006 result.</p>	<p style="text-align: center;"><b>Not Scored</b></p>	<table border="1" data-bbox="743 205 938 1016"> <thead> <tr> <th></th> <th>Number of Assets Disposed Of</th> <th>Percent of Goal</th> </tr> </thead> <tbody> <tr> <td>1<sup>st</sup> Quarter</td> <td>676</td> <td>30.5%</td> </tr> <tr> <td>2<sup>nd</sup> Quarter</td> <td>1,078</td> <td>48.6%</td> </tr> <tr> <td>3<sup>rd</sup> Quarter</td> <td>512</td> <td>23.1%</td> </tr> <tr> <td>4<sup>th</sup> Quarter</td> <td>165</td> <td></td> </tr> <tr> <td><b>Total</b></td> <td><b>2537</b></td> <td><b>114%</b></td> </tr> <tr> <td>Target</td> <td>2,217</td> <td>100%</td> </tr> </tbody> </table> <p>Two dedicated clean up efforts, one focusing on old computers and the second focusing on unneeded tagged property helped drive performance for this measure well past the target. This measure was originally designed to establish a baseline for asset disposal in FY 2005 and then exceed that baseline by 8 percent in 2006, and then exceed 2006 performance by 8 percent in 2007. This should be the last year for this measure as currently defined.</p> <p>No points are associated with this measure.</p> <p><b>Historical Year-End Results:</b></p> <table border="1" data-bbox="1192 525 1248 693"> <tr> <td>FY 2006</td> </tr> <tr> <td>2,052 Assets</td> </tr> </table>		Number of Assets Disposed Of	Percent of Goal	1 <sup>st</sup> Quarter	676	30.5%	2 <sup>nd</sup> Quarter	1,078	48.6%	3 <sup>rd</sup> Quarter	512	23.1%	4 <sup>th</sup> Quarter	165		<b>Total</b>	<b>2537</b>	<b>114%</b>	Target	2,217	100%	FY 2006	2,052 Assets
	Number of Assets Disposed Of	Percent of Goal																								
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Activity/Assigned Points	Gradient	Points Earned	Results																							
<p><b>11.0 Information Technology</b>  <i>Maximum annual points = 6</i>  <b>Report: Quarterly</b>  <b>Scoring: Annual</b></p>	<p>Number of Assets Sold On-Line</p> <p>23 = 6.0 points            21 - 22 = 5.5 points            19 - 20 = 5.0 points            17 - 18 = 4.5 points            15 - 16 = 4.0 points            13 - 14 = 3.5 points            11 - 12 = 3.0 points            9 - 10 = 2.5 points            8 or less = 0 points</p> <p>BSC Target = Increase percentage of on-line sales achieved in FY 2006 by 10% or more.</p>	<p><b>6.0</b></p>	<p>The Laboratory's 4<sup>th</sup> quarter on-line sales of 12 assets accounted for 50% of the total necessary to meet the fiscal year target of 24. The combined total on-line sales for the fiscal year were 31 assets or 129% of the target.</p> <p>The Laboratory will earn 6.0 points for this measure.</p> <table border="1" data-bbox="532 443 748 1016"> <thead> <tr> <th></th> <th>Number of Assets Sold On-Line</th> <th>Percent of Goal</th> </tr> </thead> <tbody> <tr> <td>1<sup>st</sup> Quarter</td> <td>2</td> <td>8.3%</td> </tr> <tr> <td>2<sup>nd</sup> Quarter</td> <td>2</td> <td>8.3%</td> </tr> <tr> <td>3<sup>rd</sup> Quarter</td> <td>15</td> <td>62.5%</td> </tr> <tr> <td>4<sup>th</sup> Quarter</td> <td>12</td> <td>50%</td> </tr> <tr> <td>Total</td> <td><b>31</b></td> <td><b>129%</b></td> </tr> <tr> <td>Target</td> <td>24</td> <td>100%</td> </tr> </tbody> </table> <p><b>Historical Year-End Results:</b></p> <table border="1" data-bbox="824 527 881 695"> <thead> <tr> <th>FY 2006</th> </tr> </thead> <tbody> <tr> <td>21 Assets</td> </tr> </tbody> </table>		Number of Assets Sold On-Line	Percent of Goal	1 <sup>st</sup> Quarter	2	8.3%	2 <sup>nd</sup> Quarter	2	8.3%	3 <sup>rd</sup> Quarter	15	62.5%	4 <sup>th</sup> Quarter	12	50%	Total	<b>31</b>	<b>129%</b>	Target	24	100%	FY 2006	21 Assets
	Number of Assets Sold On-Line	Percent of Goal																								
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FY 2006																										
21 Assets																										
<p><b>12.0 Purchase Card Acquisitions</b>  <i>Maximum annual points = 0</i>  <b>Report: Quarterly</b>  <b>Scoring: Not Scored</b></p>	<p>Percent of personal property acquired via purchase card that is recorded in the property and financial databases within 72 hours of receipt of property.</p> <p>BSC Target = 98.0%</p>	<p><b>Not Scored</b></p>	<p>During the first three quarters of the fiscal year a total of 18 sensitive assets were procured using the P card. Of those 18 assets, 5 were tagged and created in the Asset Management System (AMS) within the 72 hour target. Out of the 13 that missed the target 7 missed by 5 days or less.</p> <p>During the 4<sup>th</sup> quarter, 11 sensitive assets were purchased on the P card and 9 of them were tagged within the 72 hour target, with 1 asset missing by 1 day.</p> <p>For the year 14 out of 29 assets, or 48 percent of the assets procured on the P card, were tagged within the 72 hour target. Of the 15 that missed the target 8 missed it by 5 days or less.</p> <p>Additional attention in the 4<sup>th</sup> quarter to the manual process currently used to accomplish this measure resulted in 9 out of 11 assets being tagged timely, as opposed to 5 out of 18 being tagged timely during the first 3 quarters. Significant improvement was noted in the 4<sup>th</sup> quarter when compared with cumulative results from the first three quarters.</p> <p>No points are associated with this measure.</p> <p><b>Historical Year-End Results:</b></p> <table border="1" data-bbox="1393 432 1450 789"> <thead> <tr> <th>FY 2005</th> <th>FY 2006</th> </tr> </thead> <tbody> <tr> <td>0%</td> <td>80.0%</td> </tr> </tbody> </table>	FY 2005	FY 2006	0%	80.0%																			
FY 2005	FY 2006																									
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<p><b>13.0 Subcontractor-Held Property</b>  <i>Maximum annual points = 0</i>  <b>Report: 3<sup>rd</sup> Quarter</b>  <b>Scoring: Not Scored</b></p>	<p>Percent of subcontractor-held property that is identified in the contractor's property inventory database upon review of invoices and/or scheduled inventories.             BSC Target = 98.0%</p>	<p style="text-align: center;"><b>Not Scored</b></p>	<p>During the 2<sup>nd</sup> quarter five subcontracts were identified by Property Management as having either Government Furnished Property (GFP) or Subcontractor Acquired Property (SAP) authorized and acquired. In total, 27 tagged assets are accountable to these subcontractors as reflected in the Sunflower database. Normally, these subcontractors would be asked to inventory their GFP/SAP and report the results during the 3<sup>rd</sup> quarter, however, the wall to wall inventory was conducted during the 2<sup>nd</sup> quarter and these subcontractors reported results as part of that effort.</p> <p>Inventory results reflect six of the 27 assets located locally were barcode scanned and 21 assets held outside of the commute area were inventoried using the Property Affidavit thus accounting for <b>all 27 assets</b> identified in the Sunflower database or 100 percent of Subcontractor-Held Property.</p> <p>No points are associated with this measure.</p> <p><b>Historical Year-End Results:</b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="padding: 2px;">FY 2005</td> <td style="padding: 2px;">45.45%</td> </tr> <tr> <td style="padding: 2px;">FY 2006</td> <td style="padding: 2px;">100%</td> </tr> </table>	FY 2005	45.45%	FY 2006	100%
FY 2005	45.45%						
FY 2006	100%						
<p><b>14.0 Employee Alignment - Training</b>  <i>Maximum annual points = 7</i>  <b>Report: 4<sup>th</sup> Quarter</b>  <b>Scoring: Annual</b></p>	<p>Percent of Personal Property Core Professional Staff and Staff Matrixed to Divisions That Completed Scheduled Training Supporting BSC Objectives   <math>\geq 93.0\% = 7.0</math> points  <math>&lt; 93.0\% = 0</math> points             BSC Target = 93%</p>	<p style="text-align: center;"><b>7.0</b></p>	<p>The total population of staff meeting the requirements for training under this measure has been determined to be 36: 17 Property Representatives, 13 Property Coordinators, and six members of the core Property Group. The baseline of 36 staff members will remain static for the year for measuring and determining performance even though individual staff members may change. Thirty-four individuals must receive training for the Laboratory to be awarded the 7.0 points allocated to this measure.</p> <p>During the first quarter, Inventory Training was conducted with a focus on barcode readers, barcode scanning, report generation, inventory preparation and issue resolution, and retagging of assets during inventory. In addition, a basic refresher on the Asset Management System (AMS), Sunflower, was provided. A total of 28 individuals were trained representing <b>77.8</b> percent of the target population.</p> <p>No training was conducted during the 2<sup>nd</sup> quarter due to the wall to wall inventory being conducted.</p> <p>During the 3<sup>rd</sup> quarter, two core staff members attended a week long, basic Property Management class bringing to 30 the total number of target population staff trained. The total of 30 individuals trained to date represents 83.3 percent.</p> <p style="text-align: right;">(continued)</p>				



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<p><b>14.0 Employee Alignment – Training - Continued</b>  <i>Maximum annual points = 7</i>  <b>Report: 4<sup>th</sup> Quarter</b>  <b>Scoring: Annual</b></p>			<p>During the week of July 23, 29 individuals attended Sunflower database training bringing to 59 the total number of instances where a member of the core group, Property Representative or Coordinator attended a training session. When adjusted for those cases where an individual attended more than one training session during the year, 36 different individuals participated in scheduled training.</p> <p>The Laboratory will earn seven points for this measure.</p> <table border="1" data-bbox="597 321 820 896"> <thead> <tr> <th></th> <th>Number of Staff Trained</th> <th>Percent of Goal</th> </tr> </thead> <tbody> <tr> <td>1<sup>st</sup> Quarter</td> <td>28</td> <td>77.8%</td> </tr> <tr> <td>2<sup>nd</sup> Quarter</td> <td>0</td> <td>0.0%</td> </tr> <tr> <td>3<sup>rd</sup> Quarter</td> <td>2</td> <td>5.6%</td> </tr> <tr> <td>4<sup>th</sup> Quarter</td> <td>6</td> <td>16.7%</td> </tr> <tr> <td>Total</td> <td><b>36</b></td> <td><b>100%</b></td> </tr> <tr> <td>Target</td> <td>34</td> <td>93.0%</td> </tr> </tbody> </table> <p><b>Historical Year-End Results:</b></p> <table border="1" data-bbox="906 512 963 705"> <tr> <td>FY 2006</td> <td>97%</td> </tr> </table>		Number of Staff Trained	Percent of Goal	1 <sup>st</sup> Quarter	28	77.8%	2 <sup>nd</sup> Quarter	0	0.0%	3 <sup>rd</sup> Quarter	2	5.6%	4 <sup>th</sup> Quarter	6	16.7%	Total	<b>36</b>	<b>100%</b>	Target	34	93.0%	FY 2006	97%
	Number of Staff Trained	Percent of Goal																								
1 <sup>st</sup> Quarter	28	77.8%																								
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Target	34	93.0%																								
FY 2006	97%																									
<p><b>15.0 Employee Alignment – Individual Development Plan</b>  <i>Maximum annual points = 2</i>  <b>Report: 4<sup>th</sup> Quarter</b>  <b>Scoring: Annual</b></p>	<p>Percent of Personal Property Professional Staff With Individual Development Plan Based on BSC Objectives</p> <p>≥ 90.0% = 2.0 points          &lt; 90.0% = 0 points</p> <p>BSC Target = 90%</p>	<p><b>2.0</b></p>	<p>Every member of the Property Management core group (five) has an Individual Development Plan that is based on Balanced Score Card Objectives.</p> <p>The Laboratory will earn two points for this measure.</p> <p><b>Historical Year-End Results:</b></p> <table border="1" data-bbox="1177 430 1232 787"> <tr> <td>FY 2005</td> <td>100%</td> <td>FY 2006</td> <td>100%</td> </tr> </table>	FY 2005	100%	FY 2006	100%																			
FY 2005	100%	FY 2006	100%																							



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Activity/Assigned Points	Gradient	Points Earned	Results				
<p><b>16.0 Employee Alignment – Performance Evaluation</b>  <i>Maximum annual points = 1</i>  <b>Report: 4<sup>th</sup> Quarter</b>  <b>Scoring: Annual</b></p>	<p>Percent of Personal Property Professional Staff That Have an Annual Review of Performance Against BSC Objectives</p> <p>≥ 90.0% = 1.0 points          &lt; 90.0% = 0 points</p> <p>BSC Target = 90%</p>	<p style="text-align: center;"><b>1.0</b></p>	<p>The Property Manager has delivered all five of his required Performance Reviews for the year ending June 30, 2007. All five included statements regarding individual performance relative to Balanced Score Card Objectives.</p> <p>The Laboratory will earn one point for this measure.</p> <p><b>Historical Year-End Results:</b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="padding: 2px;">FY 2005</td> <td style="padding: 2px;">100%</td> </tr> <tr> <td style="padding: 2px;">FY 2006</td> <td style="padding: 2px;">100%</td> </tr> </table>	FY 2005	100%	FY 2006	100%
FY 2005	100%						
FY 2006	100%						
<p><b>17.0 Optimum Cost Efficiency – Internal Processes</b>  <i>Maximum annual points = 10</i>  <b>Report: Quarterly</b>  <b>Scoring: Annual</b></p>	<p>Capture cost and performance data for the Loans, Borrows, and Off Site Controls processes. Select two processes for improved efficiencies, increased quality, or reduced costs for trending over the net two years. Develop, document, and where possible implement opportunities for improvements in these two areas. If target is met, the Laboratory will earn ten points.</p>	<p style="text-align: center;"><b>8.0</b></p>	<p style="text-align: center;">See Exhibit I – <i>Internal Process Improvement Summary</i></p>				
<p><b>18.0 Optimum Cost Efficiency – Functional Evaluation</b>  <i>Maximum annual points = 10</i>  <b>Report: Quarterly</b>  <b>Scoring: Annual</b></p>	<p>Report on progress of the Project Plan development and identify and report on implementation of key changes in the areas identified for improved efficiency. If target is met, the Laboratory will earn ten points.</p>	<p style="text-align: center;"><b>8.0</b></p>	<p style="text-align: center;">See Exhibit II – <i>Functional Evaluation Summary</i></p>				



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Activity/Assigned Points	Gradient	Points Earned	Results														
<p><b>19.0 Fleet Composition</b>  <i>Maximum annual points = 0</i>  <b>Report: N/A</b>  <b>Scoring: N/A</b></p>	<p>Ensure that for each non-law enforcement sport utility vehicle (SUV) the number of trips made that required driving on other than normal road conditions is compared with the total number of trips the SUV made.</p> <p>Berkeley Lab has four SUVs – three are used by security and one for Emergency Services. Therefore, no points are assigned to this measure and no point may be earned.</p>	<p><b>Not Scored</b></p>	<p>Not applicable.</p>														
<p><b>20.0 DOE Fuel Reduction Requirement</b>  <i>Maximum annual points = 4</i>  <b>Report: Quarterly</b>  <b>Scoring: Annual</b></p>	<p>Demonstrate a significant improving trend in FY 2007 consumption compared to FY 1999 petroleum consumption level. Achieve a 20% reduction by FY 2008.</p> <p>If a trend toward a 20% reduction is achieved four points will be earned.</p>	<p><b>4.0</b></p>	<p>The baseline annual use established in FY 1999 was 112,918 gallons. The total petroleum consumption for 2007 was 78,176 gallons. Comparing FY 2007 consumption with the baseline year of FY 1999 results in a reduction of 34,742 gallons or 31 percent. Reduction is attributable to using E85 in all vehicles equipped to use E85. Because of the age of our Bus Fleet, we were forced to discontinue the use of B20. The hoses and injectors on the older engines do not tolerate the increased acidity of the Bio-diesel. This increased our petroleum use significantly for the year, however, total consumption was still well below the base year level.</p> <p>The Laboratory will earn 4.0 points for this measure.</p> <table border="1" data-bbox="987 327 1227 894" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Fiscal Year</th> <th>Petroleum Consumption (Gallons)</th> </tr> </thead> <tbody> <tr> <td>1999 – Baseline</td> <td>112,918</td> </tr> <tr> <td>2007 – Qtr. 1</td> <td>21,158</td> </tr> <tr> <td>2007 – Qtr. 2</td> <td>19,393</td> </tr> <tr> <td>2007 – Qtr. 3</td> <td>19,623</td> </tr> <tr> <td>2007 – Qtr. 4</td> <td>18,002</td> </tr> <tr> <td><b>TOTAL</b></td> <td><b>78,176</b></td> </tr> </tbody> </table>	Fiscal Year	Petroleum Consumption (Gallons)	1999 – Baseline	112,918	2007 – Qtr. 1	21,158	2007 – Qtr. 2	19,393	2007 – Qtr. 3	19,623	2007 – Qtr. 4	18,002	<b>TOTAL</b>	<b>78,176</b>
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<b>TOTAL</b>	<b>78,176</b>																
<p><b>Total Assigned Points = 100</b></p>		<p><b>Total Points Earned for Fiscal Year 2007 = 93.5</b></p>															



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**EXHIBIT I**

FY 2007 INTERNAL PROCESS IMPROVEMENT SUMMARY  
Measure 17.0, Optimum Cost Efficiency-Internal Processes

During FY 2007, loans, borrows and offsite controls continued to be reviewed for opportunities for improvement after initial identification in FY 2006 and the walk through program, asset creation process and transfers were added to the list for process review.

**LOANS**

-Domestic Loans

The internal process for creating and tracking domestic loans has been consolidated from three desks onto one desk in the core Group. A thorough review of all files has been completed and those loans that do not meet regulatory requirements or have expired have been identified for closeout, and the closeout process has started. During the year 30 loans were closed, three loans are active and meet requirements and 35 are in closeout. Assets are being returned to the Laboratory or in some cases offer opportunities for award under the ERLE grant program. The manual tracking and control system in use at the beginning of year has been scrapped and all loans are now tracked using the Asset Management System (AMS) agreements module. Hard copy files have been reconciled to the AMS. New loans are created in conformance with the requirements of DOE Order 580.1, and clearly identify annual inventory requirements to the borrower from the outset of the loan. The combined efficiencies of consolidating the loan creation process onto one desk, closing out loans that do not meet regulatory requirements or have expired but still subject to inventory, and control and tracking via the Asset Management System rather than manual control are estimated to save .5 FTE. The computed cost avoidance is approximately \$ 49 K. The review of the domestic loan process for the purpose of identifying opportunities for improved efficiencies is considered complete. Domestic loans will be briefly commented on in future reports.

-Foreign Loans

The Laboratory has eight foreign loans: two are active and six have expired with multiple assets still in place. We have completed a review of all foreign loans to determine of those that have expired how many will require a request for extension and how many should be placed in close out. The age of the loans, incomplete or sketchy documentation and limited access to staff with first hand knowledge of the transactions is making for a tedious process. We will complete our review prior to submitting individual requests for extension to the Site Office. The small number of foreign loans somewhat mitigates the difficulty in arriving at clear decision points, but will substantially increase the hours per loan to achieve final closeout. The biggest hurdle we have to face is the cost of bringing assets back to the Laboratory for disposition versus the necessary approvals to dispose of assets in a foreign country.

New foreign loans go through the same internal process as domestic loans, including control and tracking in the Asset Management System agreements module, therefore, no new problems are entering the pipeline. Foreign loans will continue to be reported on under this measure until we have full compliance with DOE Order 580.1. Efficiencies identified and implemented will be reported on when regulatory compliance is achieved.

**BORROWS**

Borrows have been reviewed and we have approximately 125 open transactions. Borrows fall into one of two internal categories: borrows for actual use and borrows for testing and evaluation in anticipation of acquisition. The current method of and requirements for controlling borrows does not distinguish between the two different types. The Laboratory has proposed policy in the updating of the Policy Manual to distinguish between the two types of borrow transactions such that borrows for testing would be controlled at the Division level. The logic of the proposal is that borrows for testing can sometimes last only a few days to a few weeks at most. There are many instances where the borrow has been requested and testing completed before the paperwork can be completely processed. If the Site Office approves the new policy, the necessary implementing procedures will be drafted, which will create no additional work for Divisions but will save an estimated .25 FTE of core effort. Borrows will continue to be reported on under this measure until final comments are received from the Site Office.



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### **OFF SITE CONTROL**

We started to review off site controls last quarter and have not completed the review. However, sufficient information has been gathered to clearly indicate that the off site control transaction does not add any confidence or rigor to controlling an asset off site over a property pass. In both cases, the custodian of record and division are responsible and accountable for assuring the asset is being adequately safeguarded and can be produced upon request for inventory purposes. We have started converting assets that are in the local Bay Area on off site controls to property passes. We will not continue the conversion to all assets currently on off site controls until we completely review existing transactions. If we are able to convert all off site controls to property passes the efficiencies gained will be minimal but it will eliminate a meaningless transaction, and reduce the number of options for controlling assets off site to loans, property passes and collaborations. Off site controls will continue to be reported on under this measure until the conversion to property passes is complete.

### **WALK THROUGH PROGRAM**

During the 4<sup>th</sup> quarter three walkthroughs were conducted, leaving only five left to complete the entire program for the FY 07 and 08 cycle. Conclusions regarding possible improvements to increase efficiencies will not be drawn until the program is complete.

The walk through program, after being dormant in the 2<sup>nd</sup> quarter due to the wall to wall inventory, saw significant activity in the 3<sup>rd</sup> quarter. Eleven scheduled walkthroughs were conducted, and written reports issued. Follow up by the core group takes place 60-90 days after the report is issued so it is still premature to determine whether we can realize cost efficiencies in this program. However, there have already been positive aspects to conducting program. First, the walk through program is improving communication and partnership between the core group and division personnel, and second, it is serving as a mutual educational activity for the division Property Representative and members of the core Property Group conducting the walkthrough. The walk through program will be reported on under this measure until current cycle activity has been completed.

### **ASSET CREATION PROCESS**

The asset creation process was identified in early FY 2007 as an opportunity for improved efficiencies primarily due to pre PMIP assessments of data quality in the Asset Management System (AMS). The key to improved efficiencies to both process time and data quality hinged on building an interface between the Financial Management System (FMS) and the Asset Management System (AMS) to allow data to flow from Procurement into AMS at asset creation without having to be manually re-entered at Receiving. The interface was designed, tested and implemented during FY 2007, resulting in a (conservative) estimated cost savings/avoidance of \$ 43 K per year. The asset creation process will be briefly commented on in future reports.

### **TRANSFERS**

Transfers were added to the list of internal processes to evaluate for process improvement during the 2<sup>nd</sup> quarter as a result of issues highlighted by the wall to wall inventory. Several assets that were problematic during the inventory have become prime targets for transfer to another Departmental or Federal entity once divisions were made aware of the fact that Transfer is not only an option but in most cases a sound business decision. Since the start of the inventory, we have processed 27 Transfers and have an open inventory of 18 Transfers in process. As part of this "clean up/catch up" effort we are developing new procedures that will streamline the process.

It does not appear at this time that significant opportunities for improved efficiencies or cost savings exist within the Transfer Program. Rather the benefits to be gained from the current "clean up/catch up" effort will be a program that is current, well documented and executed in accordance with Department policy.

The Transfer Program will be reported under this measure until the backlog is reduced to zero. An evaluation of efficiencies gained and related cost savings will be conducted at that time.

### **SUMMARY**

Six areas within the Property Management Program, Loans, Borrows, Off Site Controls, Walk Through Program, Asset Creation and Transfers have been identified to evaluate for opportunities for improved efficiencies, increased quality or cost savings. In some cases, one or more of these opportunities have been realized, and in others the evaluation will continue through FY 2008. Reviews have identified the following areas for improvement: backlogs, file documentation, procedural conformance, internal controls and workload monitoring and follow-up. All of these areas are being addressed. Mid-FY 2008 should see all of these programs current, well documented, and compliant with requirements.



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**EXHIBIT II**

**FUNCTIONAL EVALUATION SUMMARY -  
Measure 18.0 Optimum Cost Efficiency-Functional Evaluation  
Property Management Improvement Project (PMIP)**

During Fiscal Year 2007, the Laboratory made substantial progress in addressing the concerns/issues that were raised and identified in the FY 2006 internal program review conducted on the Personal Property Management Program. The 2006 review addressed risks, resources, quality, systems and configuration of the Property Management Program that required assessment prior to moving forward with the planned reengineering of the Program.

The following outline recaps, by major categories of effort within the Property Management Improvement Project (PMIP), specific accomplishments achieved during FY 2007.

**PROJECT MANAGER HIRED**

- Property Management Improvement Plan (PMIP) developed
- Detailed project schedule developed
- PMIP briefed to Steering Committee and Executive Management
- Divisions briefed and feedback provided on PMIP
- Contractor hired to assist with process reviews and data analysis
- Selected divisions interviewed by Project Manager and Contractor on "as is" processes

**CONTRACTOR DELIVERED PRODUCTS**

- Key Property Management processes have been mapped in "as is" state
- Recommended improvements to processes have been mapped
- Training guide has been completed
- Sequel written and provided for cleaning up parts of Asset Management System
- Recommendations for best practices provided, including pilot effort on RFID

**DATABASE IMPROVEMENTS**

- Integrated with other business systems
- Building/Room relationship cleaned up, pull down menu developed
- Official name cleaned up, pull down menu developed
- Assets not identified as Sensitive/Controlled corrected
- Assets with zero dollar value identified, currently being researched

**PMIP'S CRITICAL ELEMENTS**

- Clear roles and responsibilities
- Improved database quality
- Liaison relationship between Divisions and Core Property Group
- Training
- Well designed and content rich website
- Web forms and electronic notifications

**COST SAVINGS**

- Integration of AMS with FMS saving (conservatively) \$ 43 K per year

**WHERE WE ARE, SEPTEMBER 30, 2007**

- Changes to current system envisioned by PMIP briefed to Steering Committee and accepted
- Changes to current system envision by PMIP currently being reviewed by Divisions
- PMIP pilot currently being planned
- Discussions of how best to deliver training underway



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**WORK IN PROCESS**

- Scanning assets into Excess through Facilities software (IBOX)
- Discussing how best to phase in update of website
- Discussing how best to phase in web forms and electronic notifications

**SUMMARY**

The majority of planning, developing and documenting the necessary changes to be implemented by PMIP have been completed. Progress in the areas of defining roles and responsibilities, improving the quality of the data in the Asset Management System and defining the liaison concept to deliver PMIP is sufficiently complete to support a pilot effort. Discussions between the Project Manager and Property Manager regarding how best to define and roll out the pilot, and how to deliver the training are currently underway, while final feedback is pending from Divisions. Uncertainty around available resources to fully deliver the contractor recommended web forms and electronic notifications will not impact the Laboratory's ability to pilot the effort and based on pilot results implement PMIP on a Laboratory wide basis.

Training of the core Group will start in October, while final planning for the pilot is completed. The pilot is targeted for implementation during the first quarter or FY 2008. The 2008 Statistical Sample Inventory scheduled to start on January 22, training for which begins in October, has potential for causing some conflicts with limited resources. Such conflicts will be addressed if and when they occur.





**Goal 7.0:** *Sustain excellence in Operating, Maintaining, and Renewing the Facility and Infrastructure Portfolio to Meet Laboratory Needs.*

*The Contractor provides appropriate planning for, construction and management of Laboratory facilities and infrastructures required to efficiently and effectively carry out current and future S&T programs.*

*Goal 7.0 shall measure the overall effectiveness and performance of the Contractor in planning for, delivering, and operations of Laboratory facilities and equipment needed to ensure required capabilities are present to meet today's and tomorrow's complex challenges.*

### **Executive Summary**

An overall goal score of 3.7 (A-) was achieved, including significant accomplishments in all measures involving maintenance, Utility Reliability and Real Property Management Space/Facility Utilization. The scores are a reflection of the Facilities programs' efforts to maximize stewardship of the Laboratory infrastructure while applying best practices in many areas.

Major accomplishments are:

- Exceeded the Maintenance Investment Index goal of 2%.
- Exceeded the Deferred Maintenance Reduction Goal of \$2.17M.
- Developed LBNL's first Comprehensive Maintenance Plan.
- Exceeded the minimum DOE Condition Assessment requirement of 20%, accomplishing 31%. This was due to our continued commitment to evaluate our mission critical facilities on a more frequent cycle.
- Completing Animal care facility on budget and schedule.
- Received combined CD/1/2/3 Approval for ALS User Support Building (first ever in DOE SC).

A few opportunities for improvement are noted:

- Improve communications with Lab Divisions/Departments on small project scoping, in process project status and close-out follow up. (We have instituted a small projects improvement plan to be completed FY08.)
- Provide a smoother transition between financial years in developing and scheduling MII and DMR projects to aid in reducing or relieving the traditional year-end project rush. (In FY07, we completed the engineering phase of several projects in Q4. Construction will be complete in FY08 Q1-Q2)
- Develop a process or structure that will facilitate better coordination of all Small Projects within Facilities. (Completed a new design review and implemented a coordination procedure in Q4 FY07).

Element	Numerical Score	Objective Weight	Weighted Score	Total Points
<b>7.0</b> Sustain excellence in Operating, Maintaining, and Renewing the Facility and Infrastructure Portfolio to Meet Laboratory Needs.				
7.1 Manage Facilities and Infrastructure in an efficient and Effective manner that optimizes usage and minimizes Life Cycle costs	3.8	50%	1.9	
7.2 Provide Planning for and acquire the Facilities and Infrastructure required to support Future Laboratory Programs	3.6	50%	1.8	
<b>Performance Goal 7.0 Total</b>				<b>3.7</b>

### **Performance Evaluation**

**Performance Objective 7.1:** Manage Facilities and Infrastructure in an efficient and effective manner that optimizes usage and minimizes Life Cycle costs.

Objective 7.1 has three measures and the grade is A (3.8).

Measure	Grade	Numerical Score	Weight (points)	Weighted Score	Numerical Score for Objective 7.1
7.1.1	A	3.8	50	1.9	
7.1.2	A-	3.7	30	1.1	
7.1.3	A	4.0	20	0.8	
<b>Performance Objective 7.1 Total</b>					<b>3.8</b>

**Performance Measure 7.1.1:** Maintenance and Utility Reliability- Effectiveness and efficiency of maintenance activities to maximize the operational life of facility systems, structure and components.

**Target:** LBNL achieves 3.1 – 3.4 score based on the Facilities and Infrastructure Performance Assessment Model (PAM). Calculation of the score is defined in the PAM.

**Performance:** Grade is A (3.8).

**Performance Sub-measure 7.1.1.1:** The Maintenance Investment Index (MII) expressed as a percentage is defined as the actual maintenance expenditure divided by the Replacement Plant Value (RPV) for conventional Facilities at the Site.

**Target:** A MII of 2.0 - 2.04 %

**Performance:** Grade is A+ (4.1) Facilities Achieved an MII of 2.17%.

**Performance Sub-measure 7.1.1.2:** The ACI is (1) one minus the Facility Condition Index (FCI). FCI is the ratio of Deferred Maintenance (DM) to Replacement Plant Value (RPV).

**Target:** Demonstrate improvement in ACI by executing a DM Reduction of \$2.17M.

**Performance:** Grade is B+ (3.4). Facilities achieved \$2.25 M in DM reduction.

**Performance Sub-measure 7.1.1.3:** Completion of RPAM- required reports.

**Target:** Complete 3 of 3 tasks.

**Performance:** Grade is A- (3.7). Completed 3 of 3 tasks plus the additional in-depth analysis and report on new RPV site factors.

Task #	Task	Status
1	Condition Assessment Summary Report (20% required per year or on 5 year cycle)	FY 07 Measure completed. Assessments completed on 553,000 sq. ft of LBNL Facilities, 31% of the Lab facilities. This exceeds the 20% goal requirement.
2	FY06 By Building Maintenance Report (due Oct. 30, 2006) and FY07 Required Maintenance Report (Due Dec. 15, 2006)	FY 07 Measure completed. Information submitted and reported in FIMS Oct 30, 2006 for Actual Maintenance, and Dec 15, 2006 for Required Maintenance.
3	Complete and annual LBNL Maintenance Plan. Interim milestones would include 'strawman' review with BSO/SC-31 (30 April), draft maintenance plan (30 June) with final by 30 September.	Milestones for 'strawman' review with BSO/SC-31 (30 April), and draft maintenance plan submission (30 June) were met. Final Plan was submitted to BSO on September 28 <sup>th</sup> . LBNL will address DOE comments on Final LBNL Comprehensive Maintenance Plan during first quarter FY08.

**Performance Measure 7.1.2:** Energy and Utility Management initiatives are managed through the FY 2007 LBNL Energy Management Performance Agreement (EMPA), which includes a Comprehensive Energy/Utility Management Program and Plan (CEMP).

**Target:** LBNL achieves 3.1–3.4 score based on satisfactory completion of 5 required objectives in the FY 2007 LBNL Comprehensive Energy/Utility Management Program and Plan (CEMP).

**Performance:** Grade is A- (3.7). Of the 5 Objectives, 1 exceeded expectation, 2 met expectation and 2 far exceeded expectations.

The 5 required CEMP objectives and the scores are summarized below.

Malosh Required Objective Number	Objectives & Expectations	Method of Accomplishment	Gradient
1.	Identify the measures, milestones and deliverables in meeting the requirements	Meets 10.5 out of 12 goals. Achieved 117% of target goals.	Exceed Expectations

	<p>of Objective 1—Malosh Guideline memorandum. To accomplish this goal will require the completion of 75% of goals 1, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16 and 17 in this Goal Section.</p>																						
2.	<p>Reduce Energy Use and Green House Gas emissions through continuous improvement to achieve a minimum target of 2 percent per year (accumulating to a 20 percent reduction by FY2015 as compared to baseline year of FY 2003) to comply with EAct2005. This goal is related to Objective 2 – Malosh August 3, 2006 memorandum.</p> <p>The expectations per EAct2005, Section 102(a), Energy Reduction Goals is to achieve a 4% reduction of energy use in FY2007 as compared to the baseline year of FY 2003.</p> <p>The energy reduction goals per EAct 2005 are:</p> <table border="0"> <tr><td>FY2006</td><td>2%</td></tr> <tr><td>FY2007</td><td>4%</td></tr> <tr><td>FY2008</td><td>6%</td></tr> <tr><td>FY2009</td><td>8%</td></tr> <tr><td>FY2010</td><td>10%</td></tr> <tr><td>FY2011</td><td>12%</td></tr> <tr><td>FY2012</td><td>14%</td></tr> <tr><td>FY2013</td><td>16%</td></tr> <tr><td>FY2014</td><td>18%</td></tr> <tr><td>FY2015</td><td>20%</td></tr> </table>	FY2006	2%	FY2007	4%	FY2008	6%	FY2009	8%	FY2010	10%	FY2011	12%	FY2012	14%	FY2013	16%	FY2014	18%	FY2015	20%	<p>Document compliance through DOE EMS4 energy-use database. Energy reduction for FY 2007 is 9.14% as compared with FY 2003.</p>	<p>Meet Expectations</p>
FY2006	2%																						
FY2007	4%																						
FY2008	6%																						
FY2009	8%																						
FY2010	10%																						
FY2011	12%																						
FY2012	14%																						
FY2013	16%																						
FY2014	18%																						
FY2015	20%																						

3.	Secure at least 3 percent of electricity purchases from renewable energy sources, to the extent economically feasible and technically practicable. (This can include Renewable Energy Certificates). This goal is related to Objective 3 – Malosh August 3, 2006 memorandum.	Purchase Renewable Energy Certificates for 3 percent	Meet Expectations
4.	<p>Design New buildings (scheduled for construction beginning in FY 2008-- conceptual design, Title 1, and Title 2) to use 30 percent less energy than the ASHRAE: 90.1 2004 standard, if life-cycle cost-effective. This goal is related to Objective 4 – Malosh August 3, 2006 memorandum.</p> <p>Per Malosh’s letter for Objection 4, the FY 2007 Expectation is: At least 50 percent of new buildings are designed to use 30 percent less energy than the ASHARE 90.1 2004 standard.</p>	The User Support Building is design to provide 30% less energy than ASHRAE 90.1, 2004 which is 100%. The “Meet expectations” is set at 50% compliance per Malosh’s letter.	Far Exceeds Expectations
5	<p>Establish a Site Metering Plan that identifies meters to be installed, in accordance with the guidelines of the DOE Advanced Metering Plan, by 2012. This goal is related to Objective 5 – Malosh August 3, 2006 memorandum.</p> <p>The Expectation for FY 2007 is to issue the plan by June 25, 2007 and identified four (4) advance meters that will be installed and operational by the end of FY2007</p>	Seven meters were installed and operational by the end of FY 2007 resulted in 175% compliance	Far Exceeds Expectations

**Performance Measure 7.1.3:** Real Property Management Space/Facility Utilization - Effectively managed consistent with mission, requirements, and DOE direction. Intent is to measure the effectiveness, completeness, and timeliness of implementation of Real Property management using Facilities Information Management System (FIMS) office space utilization, facilities asset and utilization index (AUI), and real property leases.

**Target:** Complete 5 of 6 tasks

**Performance:** Grade is A (4.0). All tasks were completed.

Task #	Task	Status
1	Populate FIMS with Executive Order 13327 required data elements	Completed
2	Document underutilized or unsuitable excess space and AUI, and recommend its inclusion in FIMS and the Ten-Year Site Plan.	Completed.
3	Explore and recommend off-site leased opportunities. List off-site lease options in satisfying space requests.	Completed
4	Ensure FIMS consistency with other DOE databases. Produce documentation that shows quarterly reconciliation between FIMS and Management and Analysis Reporting System (MARS).	Completed
5	Ensure FIMS supports Space Banking Reporting. Prepare annual memo to DOE regarding Space Banking, reflecting FIMS archived square footage, facilities flagged as excess and excess years.	Completed
6	Complete Internal FIMS Data Validation per DOE requirements.	Completed

**Performance Objective 7.2:** Provide Planning for and acquire the Facilities and Infrastructure required to support Future Laboratory Programs.

Objective 7.2 has two performance measures and the average Grade is A- (3.6).

Measure	Grade	Numerical Score	Weight (points)	Weighted Score	Numerical Score for Objective 7.2
7.2.1	B+	3.4	40	1.4	
7.2.2	A-	3.7	60	2.1	
<b>Performance Objective 7.2 Total</b>					<b>3.6</b>

**Performance Measure 7.2.1:** Integrated Site Planning - The Laboratory develops, documents, and maintains an integrated site planning process that is aligned with DOE mission needs and the Laboratory strategic/business plan. Intent is to measure the effectiveness of integrated site planning activities using any related site development planning documents.

**Target:** Meet expectations of tasks

**Performance:** Grade is B+ (3.4).

Task #	Task	Status
1	Prepare and ensure DOE Planning Documents such as the TYSP addresses LBNL strategic goals, SC's guidance and BSO comments.	2007 TYSP was prepared in association with DOE BSO and submitted to DOE HQ by DOE Site Manager July 27, 2007.
2	Review all proposals for NEPA/CEQA compliance. Review and process research, construction, maintenance, and operations proposals for NEPA/CEQA compliance.	All research proposals earmarked for imminent funding were reviewed for NEPA/CEQA compliance. Construction, maintenance, and operational proposals were reviewed. NEPA/CEQA documents for 2006 LRDP, Guest House, User Support Bldg. were completed and approved in FY 2007.
3	FEMA 310 Seismic evaluations: Complete 100% of bldg inventory.	Complete

**Performance Measure 7.2.2:** Construction/Project Management - Activities and requirements related to Line Item projects are complete within preliminary performance baseline for scope, schedule and cost (established at CD-1) or performance baselines (established at CD-2). Each task is assessed individually.

**Target:** Meet expectations of tasks. Performance baselines are met.

**Performance:** Grade is A- (3.7).

Task #	Task	Status
1	Adhere to performance baselines for the Molecular Foundry	Exceeded Expectations- Finished the project early and below budget. Contingency was used for

		additional scientific equipment.
2	Adhere to performance baselines for the B77 Phase 2	On Baseline. Single construction bid was over budget even though we started with nine prequalified bidders. Split and replanned the work package. On schedule and budget.
3	Adhere to performance baselines for the User Support Building	Exceeded Expectations. Received CD1/2/3 approval; first ever in DOE SC.
4	General Plant Projects (OPP) Program. Managed in accordance with LBNL's OPP priority list and associated cost and schedule.	On Baseline. LOASIS bid over budget; focusing delivery method for mid-sized projects (\$1-5M) on design-build & multi-prime.
5	Adhere to performance Baseline for the Seismic Phase I	On Baseline. Mitigated affect of CR.

### **Other**

In addition to the PEMP measures noted above, Facilities was also successful in accomplishing the following during the past year:

- The LBNL Contract 31 Initiative for an Integrated Facility Maintenance System has been completed on schedule with the completion of the FIMS integration.
- Successful closure of Central Stores and Metal Rack in support of Supply Chain Management.
- Successful relocation and downsizing of the 903 Warehouse.
- Electronic integration of the LBNL CATS Systems with the Plant Operations Maximo Work Management System.
- Development of the Vehicle Utilization Monitoring and Tracking Program.
- Facilities Vehicle Reduction of 36%.
- Completed new Computer Disposal Process through Alameda County (ACCRC) in compliance with DOE Cyber Security Changes.
- Completed the Long Range Development Plan.
- Birthed the ALS Guest House Project (\$11M).
- Birthed the Computational Research & Theory Project (\$90M).
- Birthed the Helios Research Facility Project (\$160M).
- Supported BSO and birthed the SLI Modernization Program (\$255M) with the first project being Seismic Ph2 (\$96M).

- Passed the ALS User Support Building CD1-2-3 review (\$32M).
- In response to the Oakland Scientific Facility Power Upgrade Project over-obligation condition that occurred when multiple project components were bid and awarded in excess of the DOE authorization, the Division currently has monthly project financial review meetings that include the CFO. We've refocused our attention in the area of authorized funding, small projects area will not manage projects over \$1M, we also limited the number of contract project managers in Facilities and have hired career PMs.
- Facilities discussed a BSO concern about idling motors with LBNL Truck Drivers and Bus Drivers. This topic was also reviewed during their scheduled safety meetings this past year. Since these reviews began, LBNL has observed no instances of LBNL delivery vehicles or buses left idling when not in use.
- The last Facilities Reduction In Force occurred just prior to FY06, and the impacts to the Energy Management Program are being resolved. Meter reading and meter maintenance has been placed on a firm schedule. As part of the restructuring of Facilities, a Mechanical Engineer has been placed as the group lead over the Utilities Section. Additionally, as part of the CEMP, a new position, an Energy Efficiency Coordinator, has been established and is currently in the recruitment process. These changes should provide the necessary oversight to meet or exceed the new requirements of the EPAct2005, EO 13423 and the TEAM Initiative.

### **Attachments**

1. FY07 Facilities and Infrastructure: Real Property and Construction Project Management Performance Assessment Model

## **Evidence File**

### **Measure 7.1.1.1**

MII Report

### **Measure 7.1.1.2**

Deferred Maintenance Spreadsheet

### **Measure 7.1.1.3**

Task 1 - Facilities Condition Assessment (FCA) Report

### **Measure 7.1.1.3**

Task 2 - FY06 Building Maintenance Report  
FY07 Required Maintenance Report

### **Measure 7.1.1.3**

Task 3 - LBNL 2008 Maintenance Plan

### **Measure 7.1.2.**

FY07 Completion Report  
CEMP TYSP Attachment  
LBNL CEMP FY07 Summary  
EMS4- APAct2005 Attachment

### **Measure 7.1.3**

Task 1 - Letter from Roby Berninzoni re: Populate FIMS with Executive Order 13327 required data elements.

### **Measure 7.1.3**

Task 2 - Letter from Roby Berninzoni re: Document underutilized or unsuitable excess space and the AUI, and recommend its inclusion in FIMS and the Ten-Year Site Plan.

### **Measure 7.1.3**

Task 3 - Letter from Roby Berninzoni re: List off-site lease options in satisfying space request.

### **Measure 7.1.3**

Task 4 - Letter from Roby Berninzoni re: Ensure FIMS consistency with other DOE databases; Produce documentation that shows quarterly reconciliation between FIMS and STARS.

### **Measures 7.1.3**

Task 5 - Letter from Roby Berninzoni - Prepare annual memo to DOE regarding Space Banking

**Measure 7.1.3**

Task 6 - Letter from Roby Berninzoni - Complete Internal FIMS Data Validation per DOE requirements

**Measure 7.2.1**

Task 1 - Ten Year Site Plan - 2009-2118

**Measure 7.2.1**

Task 2 - Upon Request, according to Jeff Philliber

**Measure 7.2.1.3**

Task 3 - ASCE 31 Prioritized List

**Measure 7.2.2**

Task 1 - CD-4b, Approve Start of Full Operations for the Molecular Foundry

**Measure 7.2.2**

Task 2 - Building 77 Rehabilitation of Building Structure and Systems, Phase 2  
DOE Project Manager's Progress Report

**Measure 7.2.2**

Task 3 - ALS User Support Building Project

**Measure 7.2.2**

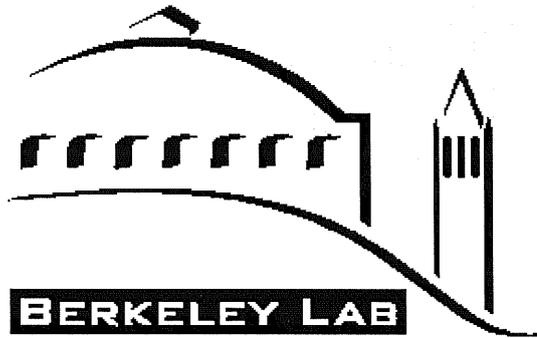
Task 4- GPP Plant Program

**Measure 7.2.2**

Task 5- DOE Project Manager's Progress Report







**FY 2007**

***Facilities and Infrastructure:  
Real Property and Construction Project Management***

***Performance Assessment Model***

***Lawrence Berkeley National Laboratory***

***University of California Laboratory Management Office***

***Department of Energy - Berkeley Site Office***

***October 01, 2006***

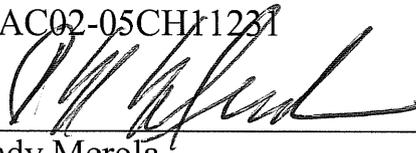
**Third Quarter Revisions**

**April 1, 2007**

**Background Information**

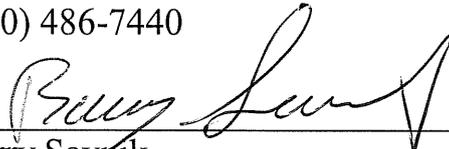
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Points of Contact:



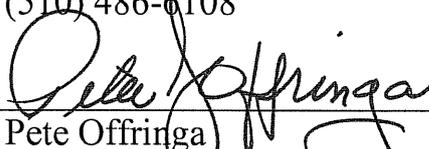
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Effective Approval Date: April 1, 2007

**Introduction**

The Facilities Management Functional Managers from the Lawrence Berkeley National Laboratory (LBNL), the Department of Energy (DOE) Berkeley Site Office, and the University of California Laboratory Management Office have agreed to assess the Performance Measures in Appendix B according to the methodology described below.

**Performance Objectives:**

Goal #7: Sustain excellence in Operating, Maintaining, and Renewing the Facility and Infrastructure Portfolio to Meet Laboratory Needs.

Objective 7.1: Manage Facilities and Infrastructure in an efficient and Effective manner that optimizes usage and minimizes Life Cycle costs. (50 pts)

7.1.1 Maintenance and Utility Reliability- Effectiveness and efficiency of maintenance activities to maximize the operational life of facility systems, structure and Components. (25 points)

7.1.1.1-The MII expressed as a percentage, is defined as the actual maintenance expenditure divided by the Replacement Plant Value (RPV) for conventional Facilities at the Site. FY07 RPV Basis of \$650,000,000(10 pts)

$$\text{MII} = \frac{\text{Actual Maintenance Expenditures}}{\text{RPV}}$$

A+	4.3	MII of 2.15 or greater
A	4.0	MII of 2.10 – 2.14
A-	3.7	MII of 2.05 – 2.09
B+	3.4	MII of 2.0 – 2.04
B	3.0	MII of 1.93 – 1.99
B-	2.7	MII of 1.85 – 1.92
C+	2.4	MII of 1.77 – 1.84
C	2.0	MII of 1.70 – 1.77
C-	1.7	MII of 1.63 – 1.69
D	1.0	MII of 1.55 – 1.62
F	0.7	MII of 1.55 or less

7.1.1.2 – The ACI is (1) one minus the Facility Condition Index (FCI). FCI is the ration of Deferred Maintenance (FY07 DM basis of \$51,838,385 and FY07 RPV basis of \$775, 779,708) to Replacement Plant Value (RPV). Measure is calculated in terms of \$ reduction of DM.(5 pts.)

$$\text{ACI} = 1 - \text{FCI} \quad \text{or} \quad \text{ACI} = 1 - \frac{\text{DM}}{\text{RPV}}$$

A+	4.3	\$3.67 or greater
A	4.0	\$3.17M
A-	3.7	\$2.67M
B+	3.4	\$2.17M
B	3.0	\$1.67M
C	2.7	\$1.17M
D	2.4	\$1M to \$1.16M
F	.0	Less than \$1M

7.1.1.3– Completion of RPAM- required reports (10 pts.)

Task #	Task	Weighting
1	FY07 Condition Assessment Summary Report (20% required per year or on 5 year cycle)	40%
2	FY06 Actual Maintenance Report (Due Oct 30, 06) FY07 Required Maintenance Report ( Due Dec. 15, 06)	40%
3	Complete an annual LBNL Maintenance Plan. Interim milestones would include 'strawman' review with BSO/SC-31 (30 April), draft maintenance plan (30 June) with final by 30 September.	20%

A	3.7	Complete all 3 Tasks + Additional Reports
B+	2.4	Complete 3 of 3 Tasks
C+	1.0	Complete 2 of 3 Tasks
D	0.0	Complete 1 of 3 Tasks

7.1.2 Energy and Utility Management initiatives are managed through the FY 2007 LBNL Energy Management Performance Agreement (EMPA), which includes a Comprehensive Energy/Utility Management Program and Plan (CEMP). Effective and successful completion of this measure will be graded as follows (15 points):

A+	4.3	Complete all five (5) EMPA Required Objectives at the "Far Exceeds Expectations" level.
A	4.0	Complete all five (5) EMPA Required Objectives at the "Exceeds Expectations" level.
A-	3.7	Complete three (3) of the five (5) EMPA Required Objectives at the "Exceeds Expectations" level and the other two (2) at "Meets Expectations".
B+	3.4	Complete all five (5) EMPA Required Objectives at the "Meets Expectations" level.
C	2.0	Complete three (3) of the five (5) EMPA Required Objectives at the "Meets Expectations" level.
D	1.0	Complete all five (5) EMPA Required Objectives at the "Needs Improvement" level.
F	0.0	Does not perform any measurable actions on any one of the five (5) Required Objectives.

\* Partial credit for tasks can be awarded

7.1.3 Real Property Management Space/Facility Utilization - Effectively managed consistent with mission, requirements, and DOE direction. Intent is to measure the effectiveness, completeness, and timeliness of implementation of Real Property management using Facilities Information Management System (FIMS) office space utilization, facilities asset and utilization index (AUI), and real property leases. (10 Pts.)

Task #	Task
1	Populate FIMS with Executive Order 13327 required data elements
2	Document underutilized or unsuitable excess space and AUI, and recommend its inclusion in FIMS and the Ten-Year Site Plan.
3	Explore and recommend off-site leased opportunities. List off-site lease options in satisfying space requests.
4	Ensure FIMS consistency with other DOE databases. Produce documentation that shows quarterly reconciliation between FIMS and Management and Analysis Reporting System (MARS).
5	Ensure FIMS supports Space Banking Reporting. Prepare annual memo to DOE regarding Space Banking, reflecting FIMS archived square footage, facilities flagged as excess and excess years.
6	Complete Internal FIMS Data Validation per DOE requirements.

A	4.0	Complete all 6 Tasks
B+	3.4	Complete 5 of 6 Tasks
B-	2.7	Complete 4 of 6 Tasks
C	2.0	Complete 3 of 6 Tasks
D	1.0	Complete 2 of 6 Tasks
F	0.0	Complete 1 of 6 Tasks

Objective 7.2: Provide Planning for and acquire the Facilities and Infrastructure required to support Future Laboratory Programs. (50 Points)

7.2.1 Integrated Site Planning - The Laboratory develops, documents, and maintains an integrated site planning process that is aligned with DOE mission needs and the Laboratory strategic/business plan. Intent is to measure the effectiveness of integrated site planning activities using any related site development planning documents. Each task is assessed individually. (20 points)

Task #	Task	Weighting
1	Prepare and ensure DOE Planning Documents such as the TYSP addresses LBNL strategic goals, SC's guidance and BSO comments.	50%
2	Review selected proposals for NEPA/CEQA compliance. Review and process research, construction, maintenance, and operations proposals for NEPA/CEQA compliance.	30%
3	FEMA 310 Seismic evaluations: Complete 100% of bldg inventory	20%

A	4.0	Exceed expectations
B+	3.4	Meets expectations
C	2.0	Needs improvement
D	1.0	Minor accomplishments
F	0.0	No accomplishments

7.2.2 Construction/Project Management - Activities and requirements related to Line Item projects are complete within preliminary performance baselines for scope, schedule and cost (established at CD-1) or performance baselines (established at CD-2). Each task is assessed individually. (30 Points)

Task #	Task	Weighting
1	Adhere to performance baselines for the Molecular Foundry	10%
2	Adhere to performance baselines for the B77 Phase 2	25%
3	Adhere to performance baseline for the User Support Building	25%
4	General Plant Projects (GPP) Program. Managed in accordance with LBNL's GPP priority list and associated cost and schedule.	25%
5	Adhere to performance baseline for the Seismic Phase I	15%

A	4.0	Exceed expectations. Performance against one of the project/program's baselines (scope, schedule or cost) is clearly exceeded.
B+	3.4	Meets expectations. Performance baselines are met.
C	2.0	Needs improvement. Performance against one of the project/program's baselines (scope, schedule or cost) is not achieved.
D	1.0	Minor accomplishments. Performance against two of the project/program's baselines (scope, schedule or cost) is not achieved
F	0.0	No accomplishments. Project/program requires HQs intervention (re-baseline) due to performance deficiencies.

**Grade Conversion Table**

<b>Letter Grade</b>	<b>GPA</b>
A+	4.1 - 4.3
A	3.8 - 4.0
A-	3.5 - 3.7
B+	3.1 - 3.4
B	2.8 - 3.0
B-	2.5 - 2.7
C+	2.1 - 2.4
C	1.8 - 2.0
C-	1.1 - 1.7
D	0.8 - 1.0
F	0.0 - 0.7



**Goal 8.0:** *Sustain and Enhance the Effectiveness of Integrated Safeguards and Security Management (ISSM) and the Emergency Management System*

*The Contractor sustains and enhances the effectiveness of integrated safeguards and security and emergency management through a strong and well deployed system.*

**Executive Summary**

For Goal 8.0, LBNL achieved a numerical score of 4.1, an equivalent overall grade of A+. The Goal has four objectives (three of which apply to LBNL) with a total of eleven measures. “A” grades were achieved in all performance measures, and the following is a summary of accomplishments.

Substantial improvements were made to the LBNL Emergency Management System in FY07. All of the required reports were completed on schedule (7/7). All of the principal Emergency Operations Center Staff attended 2 trainings and 2 exercises (12/12). The Lab’s fire alarm backbone (9 nodes) for the fire alarm monitoring network was completed and the communications link with the monitoring station at LLNL was established by the end of 1<sup>st</sup> Quarter. Additionally, compliance with DOE Order 151.1C was initiated with a Base Plan Assessment to be followed up with a Hazard Survey and Hazard Screening Process in FY 2008.

LBNL’s Cyber Security Program had another excellent year, culminating in the granting of new three year Authority To Operate (ATO) for LBNL’s IT enclaves. This effort resulted in a documentation set that is compliant with National Institute of Standards and Technology guidance, and accurately and thoroughly describes LBNL’s security postures. This work included an external Security Test and Evaluation process that involved LBNL hiring an external auditor to certify its systems. Both technical testing and assessment of our documentation confirm that the program is serving the institution well, and that the remaining risks are acceptable. By helping to protect LBNL’s mission while respecting the autonomy and capability of individual researchers, the cyber security program remains a robust and effective part of LBNL’s operational approach to risk-management.

LBNL also exceeded expectations in its efforts to safeguard special nuclear material. A peer review to evaluate the LBNL safeguards program and procedure EH&S 740, *Nuclear Material Control and Accountability*, was performed by a recognized expert in the management of nuclear material safeguard and security programs. The program was found to be in full compliance and there were no findings identified. Finally, all Nuclear Material safeguards processes and activities (inventory, reporting, and authorization renewals) were completed on schedule, including Material Control and Accountability (MC&A) reporting and renewals of the Radiological Work Authorizations (RWAs) involving the use of material tracked via the MC&A program.

**Goal Score**

Element	Numerical Score	Objective Weight	Weighted Score	Total Points
<b>8.0 Sustain and Enhance the Effectiveness of ISSM and the Emergency Management System</b>				
8.1 Provide an Efficient and Effective Emergency Management System	4.1	20%	0.82	
8.2 Provide and Efficient and Effective System for Cyber-Security	4.1	65%	2.7	
8.3 Provide and Efficient and Effective System for the Protection of Special Nuclear Material	4.1	15%	0.62	
8.4 Protect Classified and Sensitive Information	N/A	0%	0%	
<b>Performance Goal 8.0 Total</b>				4.1

**Performance Evaluation**

**Performance Objective 8.1:** Provide an Efficient and Effective Emergency Management System

Objective 8.1 has four measures and the grade is A+ (4.1).

Measure	Grade	Numerical Score	Avg. Numerical Score for Objective 8.1
8.1.1	A	4.0	
8.1.2	A	4.0	
8.1.3	A+	4.2	
8.1.4	A	4.0	
<b>Performance Objective 8.1 Total</b>			4.1

Note: All measures equally weighted

**Performance Measure 8.1.1:** The Contractor will demonstrate Emergency Management success through accurate and timely DOE and LBNL reporting requirements.

**Target:** 86% (6/7) of emergency management reporting completed on schedule; one annual DOE report (Emergency Readiness Assurance Plans), four DOE quarterly

reports (Emergency Management Program Metrics Report), and one annual and mid-year LBNL reports (Emergency Management Readiness Report).

**Performance:** Grade is A (4.0).

All four Emergency Management Program Metrics Reports, two Emergency Management Readiness Reports and one Emergency Readiness Assurance Plan Report were submitted on schedule to BSO.

**Performance Measure 8.1.2:** The Contractor will demonstrate its commitment of leadership to emergency management by assuring adequate resources are provided.

**Target:** 90% (11/12) primary members of the Emergency Operations Center to complete two emergency management training classes by the end of the FY.

**Performance:** Grade is A (4.0).

The 12 primary members of the Emergency Operations Center attended a minimum of two trainings during the fiscal year. The training courses involved the Incident Command System, National Incident Management System, Standard Emergency Management System, National Response Plan, and a variety of other courses from Emergency Operations Center Position Training to wildland fire and earthquake response training.

**Performance Measure 8.1.3:** The Contractor will demonstrate its commitment of leadership to emergency management by assuring adequate resources are provided.

**Target:** Fire alarm backbone (install 9 nodes) for fire alarm monitoring network completed and communications link with monitoring station at LLNL established by the end of FY. (Note: Connection of nodes to fire alarm panels within Lab buildings not included in this phase.)

**Performance:** Grade is A+ (4.2)

As of December 31, 2006, the MLX Fire Alarm Monitoring System “backbone” (9 nodes) was completed and communications were established with LLNL. The system continues to be monitored from LBNL and LLNL. (Note: Connection of nodes to fire alarm panels within Lab buildings not included in this phase)

**Performance Measure 8.1.4:** The Contractor demonstrates effective utilization of emergency management procedures and processes through exercises

**Target:** 90% (11/12) of the primary members of the Emergency Operations Center to participate in two exercises by the end of the FY.

**Performance:** Grade is A (4.0).

The 12 primary members of the Emergency Operations Center participated in a minimum of two exercises during the fiscal year. The exercises involved scenarios relating to an earthquake, a shooter, select agents, and HAZMAT spill, in addition to a DOE “No-Notice Exercise.”

**Performance Objective 8.2:** Provide an Efficient and Effective System for Cyber-Security

Objective 8.2 has four measures and the grade is A+ (4.1).

Measure	Grade	Numerical Score	Avg. Numerical Score for Objective 8.2
8.2.1	A+	4.2	
8.2.2	A	4.0	
8.2.3	A	4.0	
8.2.4	A+	4.2	
<b>Performance Objective 8.2 Total</b>			4.1

Note: All measures equally weighted.

**Performance Measure 8.2.1:** The Contractor will demonstrate commitment to improvement through the conduct of internal and external reviews and the timely completion of approved corrective action plans.

**Target:** One Plan of Actions and Milestones (POA&M) overdue to target and/or two assessments performed by end of FY.

**Performance:** Grade is A+ (4.2).

LBNL had zero POA&Ms overdue (out of 7 separate milestones/issues) during the reporting period, meeting the A gradient.

In addition, LBNL either conducted or was subject to three major reviews and four other reviews. These reviews included four by the Inspector General, one peer review, one UC internal audit, and one external consultants review. Particularly noteworthy were the peer review for Security Test and Evaluation (STE) readiness; which included representatives from internal audit, other UC campuses, and other Labs; and the actual STE in which UC hired a well-respected external auditor to perform the independent verification and validation before accreditation by the site office. These activities were in addition to ongoing formal and informal self-assessment activities and evaluations of reporting activities. LBNL performed well in all of these audits.

**Performance Measure 8.2.2:** The Contractor will integrate security practices into the culture of the organization by training employees on their security responsibilities.

**Target:** Updated Computer Security Training Program in place and 80% of employees trained.

**Performance:** Grade is A (4.0).

LBNL updated the supplementary training and awareness materials, and 92.5% of LBNL employees were current on their training as of the end of the performance period. LBNL remained committed to using other awareness activities such as mailing lists, Today at Berkeley Lab, and posters to remind people about their responsibilities.

**Performance Measure 8.2.3:** The Contractor will demonstrate its commitment to risk management by conducting risk assessments and mitigating unacceptable risks.

**Target:** All but one enclave risk assessed, risk agreement in place, and POA&Ms created for mitigation by end of FY

**Performance:** Grade is A (4.0).

As part of the Authority To Operate process, LBNL engaged in a major effort to conduct risk assessments on all six enclaves. The results of these assessments were presented to the DOE Berkeley Site Office and formal risk assessment acceptance occurred on 9/14/07. No POA&Ms were required for risk acceptance.

**Performance Measure 8.2.4:** The Contractor will demonstrate its commitment to continuous improvement by testing and deploying new Management, Operational, and Technical Controls.

**Target:** At least two new or improved management, operational, and technical controls in place by end of FY.

**Performance:** Grade is A+ (4.2).

While a number of projects were put in place or initiated during this performance period, three stand out as substantial improvements to our security posture.

First, LBNL implemented the first voluntary two-factor authentication gateway designed for researchers. While two-factor authentication has been used for years at LBNL to protect infrastructure assets, this represents the first large scale deployment broadly available to LBNL scientists. Two-factor authentication helps to prevent LBNL's most costly attack pattern: stolen credential attacks on Secure Shell.

Additionally, three separate and distinctive improvements were made to LBNL's monitoring capabilities: one searches network traffic for Personally Identifiable Information, another looks for evidence of using our search engine for

reconnaissance, and a final one dramatically improves our capabilities to monitor intra-subnet traffic using commodity hardware.

Finally, the most important technical innovations were put in place to deal with the expansion of LBNL's bandwidth. The systems that monitor network traffic at the perimeter were upgraded to accommodate LBNL's 10 Gigabit Ethernet (10g) links. This is a complicated task, as the traffic in question quickly dwarfs the capabilities of much of the available hardware. After months of investigating different capabilities, LBNL fully implemented an interim solution using specially configured 10g cards, and has also prototyped a long-term solution using commodity clustering technology. This solution was demonstrated at the Supercomputing 06 conference during FY07.

Together, these activities are indicative of the constantly evolving and improving controls in place at LBNL, which must adjust both to changes in the computing environment and evolving threats.

**Performance Objective 8.3:** Provide an Efficient and Effective System for the Protection of Nuclear Materials.

Objective 8.3 has three measures and the grade is A+ (4.1).

Measure	Grade	Numerical Score	Avg. Numerical Score for Objective 8.3
8.3.1	A	4.0	
8.3.2	A	4.0	
8.3.3	A+	4.2	
<b>Performance Objective 8.3 Total</b>			4.1

Note: All measures equally weighted

**Performance Measure 8.3.1:**

The Contractor will ensure on-going compliance with internal procedures to implement DOE Manual 470.4-6 in a graded approach.

**Target:** Schedules and conducts peer review of LBNL EHS Procedure 740, Nuclear Material Accountability program by 05/31/07.

**Performance:** Grade is A (4.0).

A peer review of EH&S Procedure 740, *Nuclear Material Control and Accountability* (revision 4), and site visit was conducted February 8 and 22, 2007. The report entitled "Review of LBNL's Implementation of DOE MC&A Requirements (740)" was submitted by the consultant, David McIntosh on March 8, 2007.

**Performance Measure 8.3.2:** The Contractor will develop corrective actions addressing peer review findings and submit to BSO for approval.

**Target:** Develops and submits peer review Corrective Action Plan to BSO by 07/31/07.

**Performance:** Grade is A+ (4.2).

No findings were identified during the peer review; therefore, a Corrective Action Plan is not required. Lab achieves “A+” gradient.

**Performance Measure 8.3.3:** The Contractor will control and maintain Nuclear Material in accordance with safeguard processes and activities.

**Target:** 86% (6/7) of safeguards process and activities (4 inventories, 3 inventory/transaction reports) completed on schedule. Authorization renewals completed as required – number varies.

**Performance:** Grade is A (4.0).

The four quarterly inventories and associated reports were completed as of September 25, 2007. All Radiological Work Authorization (RWA) renewals and retraining were completed for those authorizations governing the use and/or storage of material controlled through the Nuclear Material Management and Safeguards System program.

## **Evidence File**

### **Measure 8.1.1**

2007 Annual Emergency Readiness Assurance Plans (ERAP)  
2007 4<sup>th</sup> Quarter Emergency Management Program Metrics Report  
2007 Semi-Annual Emergency Management Readiness Report (EMRR)

### **Measure 8.1.2**

Emergency Services Database – Training Report

### **Measure 8.1.3**

Emergency Services Database – Training Report

### **Measure 8.2.1**

Annual POAM report.  
CATS Database  
Opening IG Audit Notifications  
Internal Audit Notifications  
Peer Review Charter Letter  
STE Information

### **Measure 8.2.2**

JHQ Database Extract Excel File  
TABL Notices in TABL Archive

### **Measure 8.2.3**

2007 Consolidated Risk Assessment  
Signature Pages

### **Measure 8.2.4**

2007 Consolidated Risk Assessment  
Signature Pages

### **Measure 8.3.1**

EH&S Procedure 740 – Nuclear Material Accountability and Control  
Peer Review Report, dated March 8, 2007

### **Measure 8.3.3**

RWA Renewal Documents  
Quarterly NMMSS Reports - Transmittals  
Quarterly NMMSS Inspection Records





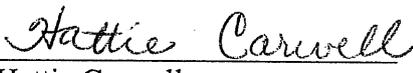
**FY 2007**  
**Environment, Safety, and Health**  
**Emergency Management, Cyber-Security, and Special Nuclear Material**  
**Gradients and Protocol**

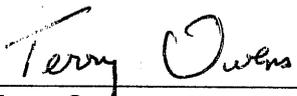
**Background Information:**

Contract No: DE-AC02-05CH11231

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Introduction

The Safeguards and Security Functional Managers from the Lawrence Berkeley National Laboratory (LBNL), the Department of Energy (DOE), and the University of California Laboratory Operations (UCLO) have agreed to assess FY2007 performance according to the methodology described in this document.

Revision #1

The Safeguards and Security Functional Managers from the Lawrence Berkeley National Laboratory (LBNL), the Department of Energy (DOE), and the University of California Laboratory Operations (UCLO) have agreed to the 8.3.2 “A” Gradient revision to read “Develops and submits peer review Corrective Action Plan to BSO by 5/31/07, or peer review identifies no findings”.

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**8.1.1 PERFORMANCE MEASURE**

The Contractor will demonstrate Emergency Management success through accurate and timely DOE and LBNL reporting requirements.

**TARGET:** 86% (6/7) of emergency management reporting completed on schedule; one annual DOE report (Emergency Readiness Assurance Plans), four DOE quarterly reports (Emergency Management Program Metrics Report), and one annual and mid-year LBNL reports (Emergency Management Readiness Report)

**GRADIENT**

A	B+	C	D
100% (7/7) of emergency management reports (annual and quarterly) completed on schedule.	86% (6/7) of emergency management reports (annual and quarterly) completed on schedule.	72% (5/7) of emergency management reports (annual and quarterly) completed on schedule.	57% (4/7) of emergency management reports (annual and quarterly) completed on schedule.

**Protocol:**

All reports shall be submitted to BSO by the 20<sup>th</sup> working day following the scheduled due date as listed below:

Forwarded to BSO

1. 1<sup>st</sup> Quarter EMPER – January 2, 2007
2. 2<sup>nd</sup> Quarter EMPER – April 2, 2007
3. 3<sup>rd</sup> Quarter EMPER – July 2, 2007
4. 4<sup>th</sup> Quarter EMPER – October 1, 2007
5. Annual ERAP – October 1, 2007

Forwarded to LBNL EOC Directors

6. Mid-Year EMRR – April 2, 2007
7. Annual EMRR – October 1, 2007

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**8.1.2 PERFORMANCE MEASURE**

The Contractor will demonstrate its commitment of leadership to emergency management by assuring adequate resources are provided.

**TARGET:** 90% (11/12) primary members of the Emergency Operations Center to complete two emergency management training classes by the end of the FY.

**GRADIENT**

A	B+	C	D
100% (12/12) of the primary members of the Emergency Response Organization to attend two training class by 9/30/07	90% (11/12) of the primary members of the Emergency Response Organization to attend two training class by 9/30/07	70% (8/12) of the primary members of the Emergency Response Organization to attend two training class by 9/30/07	40% (5/12 or less) of the primary members of the Emergency Response Organization to attend two training class by 9/30/07

**Protocol:**

Should a primary ERO member not have two trainings completed as of September 1, 2007, the target will be achieved by one of the following ways:

1. The primary ERO member will attend and complete one and/or two trainings by September 30, 2007
2. A primary ERO member who has already completed two trainings will be appointed to the vacant position by September 30, 2007

On September 1, 2007 if all 12 primary ERO members have completed two trainings, the target will be considered achieved.

**8.1.3 PERFORMANCE MEASURE**

The Contractor will demonstrate its commitment of leadership to emergency management by assuring adequate resources are provided.

**TARGET:** Fire alarm backbone (Install 9 nodes) for fire alarm monitoring network completed and communications link with monitoring station at LLNL established by the end of FY. (Note: Connection of nodes to fire alarm panels within Lab buildings not included in this phase)

**GRADIENT**

A	B+	C	D
Complete backbone for fire alarm monitoring system and establish communications with LLNL by 6/30/07.	Complete backbone for fire alarm monitoring system and establish communications with LLNL by 9/30/07.	Complete backbone for fire alarm monitoring system by and communications with LLNL incomplete by 9/30/07	Little or no progress made on installing backbone or in establishing communications link with LLNL by 9/30/07.

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**Protocol:**

We are replacing the MUX VI with a new network, an MXL network. The plan is to connect the existing fire alarm panels, in groups of 4, 6, or 7 to a nearby "node" or collecting point. There will be 8 or 9 of these nodes and they will be located in specific buildings that facilitate for efficient connection paths. Each of these new nodes will be connected in a loop, forming a network. The network allows for communication between the panels and LLNL Dispatch. This network, or backbone, is comprised of all new equipment, with new nodes, new communication paths and new conductors. This will be installed first. After the nodes are installed and the network connected, communication will be established with LLNL. This is the work we have planned for FY 2007.

**8.1.4 PERFORMANCE MEASURE**

The Contractor demonstrates effective utilization of emergency management procedures and processes through exercises.

**TARGET:** 90% (11/12) of the primary members of the Emergency Operations Center to participate in two exercises by the end of the FY.

**GRADIENT**

A	B+	C	D
100% (12/12) of the primary members of the Emergency Response Organization to participate in two exercises by 9/30/07	90% (11/12) of the primary members of the Emergency Response Organization to participate in two exercises by 9/30/07	70% (8/12) of the primary members of the Emergency Response Organization to participate in two exercises by 9/30/07	40% (5/12 or less) of the primary members of the Emergency Response Organization to participate in one exercises by 9/30/07

**Protocol:**

Should a primary ERO member not have participated in two exercises as of September 1, 2007, the target will be achieved by one of the following ways:

1. The primary ERO member will participate in one or two exercises by September 30, 2007
2. A primary ERO member who has already participated in two exercises will be appointed to the vacant position by September 30, 2007

On September 1, 2007 if all 12 primary ERO members have participated in two exercises, the target will be considered achieved.

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**8.2.1 PERFORMANCE MEASURE**

The Contractor will Demonstrate Commitment to Improvement through the conduct of internal and external reviews and the timely completion of approved corrective action plans.

**TARGET:** One Plan of Actions and Milestone (POA&M) overdue and/or 2 assessments performed by end of FY.

**GRADIENT**

A	B+	C	D
0 POA&Ms overdue to target and/or >2 assessments performed.	1 POA&M overdue to target and/or 2 assessments performed annually.	2 POA&Ms overdue to target and/or 0 assessments performed.	>2 POA&Ms overdue to target and 0 assessments.

**Protocol:**

N/A

**8.2.2 PERFORMANCE MEASURE**

The Contractor will integrate security practices into the culture of the organization by training employees on their security responsibilities.

**TARGET:** Updated Computer Security Training Program in place and 80% of employees trained.

**GRADIENT**

A	B+	C	D
Updated Computer Security Training Program in place and greater than 80% of Laboratory trained and/or additional forms of training created and distributed.	Updated Computer Security Training Program in place and 80% of employees trained in Laboratory.	Updated Computer Security Training Program in place, but fewer than 80% of employees trained in Laboratory	Updated Computer Security Training Program not in place.

**Protocol:**

Because of the lag in reminders for expiring training, if the 80% target is not met, we will analyze the last quarter of FY06 to identify if late reminders might be responsible. If yes, last quarter FY06 numbers will be used as part of the training calculation, however, this will negate attaining anything higher than a B+ on this measure on the basis of training percentages, though other forms of training may be used in considering a higher grade (see A gradient).

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**8.2.3 PERFORMANCE MEASURE**

The Contractor will demonstrate its commitment to risk management by conducting risk assessments and mitigating unacceptable risks.

**TARGET:** All but one enclave risk assessed, risk agreement in place, and POA&Ms created for mitigation by end of FY.

**GRADIENT**

A	B+	C	D
All enclaves risk assessed, risk agreement in place, and POA&Ms in place for mitigations.	All but one enclave with risk assessments completed. Residual risk agreement in place and POA&Ms created for mitigation activities.	Half of enclaves risk assessed with POA&Ms created for mitigation activities.	Fewer than half of enclaves risk assessed with POA&Ms created for mitigation activities.

**Protocol:**

N/A

**8.2.4 PERFORMANCE MEASURE**

The Contractor will demonstrate its commitment to continuous improvement by testing and deploying new Management, Operational, and Technical Controls.

**TARGET:** At least two new or improved management, operational, and technical controls in place by end of FY.

**GRADIENT**

A	B+	C	D
> 2 new or substantially improved management, operational, or technical controls by end of FY.	Two new or substantially improved management, operational, or technical controls by end of FY.	One new or substantially improved, management, operational, or technical control in place by end of FY.	No new or modified controls.

**Protocol:**

N/A

**8.3.1 PERFORMANCE MEASURE**

The Contractor will ensure on-going compliance with internal procedures to implement DOE Manual 470.4-6 in a graded approach.

**TARGET:** Schedules and conducts peer review of LBNL EHS Procedure 740, Nuclear Material Accountability program by 05/31/07.

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**GRADIENT**

A	B+	C	D
Schedules and conducts peer review of EH&S Procedure 740 Nuclear Materials Accountability program 03/31/07	Schedules and conducts peer review of EH&S Procedure 740 Nuclear Materials Accountability program 05/31/07	Schedules and conducts peer review of EH&S Procedure 740 Nuclear Materials Accountability program 07/31/07	Schedules and conducts peer review of EH&S Procedure 740 Nuclear Materials Accountability program 09/30/07

**Protocol:**

A peer review of the implementation of EHS procedure 740, “*Nuclear Material Control and Accountability*,” will be scheduled and conducted by 05/31/07. The timely preparation and submittal of the peer review report will be encouraged to allow for development and completion of associated corrective actions.

**8.3.2 PERFORMANCE MEASURE**

The Contractor will develop corrective actions addressing peer review findings and submit to BSO for approval.

**TARGET:** Develops and submits peer review Corrective Action Plan to BSO by 07/31/07.

**GRADIENT**

A	B+	C	D
Develops and submits peer review Corrective Action Plan to BSO by 5/31/07, or peer review identifies no findings	Develops and submits peer review Corrective Action Plan to BSO by 07/31/07	Develops and submits peer review Corrective Action Plan to BSO by 09/30/07	Develops and submits peer review Corrective Action Plan not submitted to BSO by 9/30/07

**Protocol:**

The Corrective Action Plan will be developed and submitted to BSO. The corrective actions will be tracked via the CATS. All CAPS with milestones during performance period will be included in the evaluation.

**8.3.3 PERFORMANCE MEASURE**

The Contractor will control and maintain Nuclear Material in accordance with safeguard processes and activities.

**TARGET:** 86% (6/7) of safeguards process and activities (4 inventories, 3 inventory/transaction reports) completed on schedule. Authorization renewals completed as required – number varies.

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**GRADIENT**

A	B+	C	D
100% (7/7) of safeguards process and activities (inventory, reporting) and all authorization renewals) completed on schedule.	86% (6/7) of safeguards process and activities (inventory, reporting) and 85% authorization renewals completed on schedule.	71% (5/7) of safeguards process and activities (inventory, reporting) and 75% authorization renewals completed on schedule.	71% (5) of safeguards process and activities (inventory, reporting) and 65% renewals completed on schedule.

**Protocol:**

Each quarter an inventory of nuclear material will be performed (4). The nuclear material quarterly inventory (3) will be submitted within 15 days of the end of each quarter. Therefore, the FY07 4<sup>th</sup> quarter reports will be submitted in the 1<sup>st</sup> quarter of FY08.

The number of nuclear material authorizations may vary during the year. All nuclear material authorizations will be reviewed and renewed per the requirements of the Radiological Work Authorization program procedure (EHS707) or the Sealed Source Authorization program procedure (EHS711), as applicable.